

BOARD MEETING  
STATE OF CALIFORNIA  
AIR RESOURCES BOARD

JOE SERNA, JR. BUILDING  
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY  
BYRON SHER AUDITORIUM, SECOND FLOOR  
1001 I STREET  
SACRAMENTO, CALIFORNIA

FRIDAY, DECEMBER 12, 2008

8:30 A.M.

TIFFANY C. KRAFT, CSR, RPR  
CERTIFIED SHORTHAND REPORTER  
LICENSE NUMBER 12277

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

BOARD MEMBERS

Ms. Mary D. Nichols, Chairperson

Dr. John R. Balmes

Ms. Sandra Berg

Ms. Dorene D'Adamo

Mr. Ronald O. Loveridge

Mrs. Barbara Riordan

Mr. Ron Roberts

Mr. Daniel Sperling

Mr. John Telles

STAFF

Mr. James Goldstene, Executive Officer

Mr. Tom Cackette, Chief Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Mr. Michael Scheible, Deputy Executive Officer

Ms. Lynn Terry, Deputy Executive Officer

Ms. Kathleen Quetin, Ombudsman

Mr. Michael Benjamin, Chief, Mobile Source Analysis Branch

Mr. Tony Brasil, In-Use Control Measures Section, MSCD

Mr. Michael Carter, Chief, Emission Research and  
Regulatory Development Branch, MSCD

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APPEARANCES CONTINUED

STAFF

Mr. Jack Kitowski, Chief, On-Road Control Regulations Branch, MSCD

Mr. Kevin Kennedy, Chief, Program Evaluation Branch

Mr. Stephan Lemieux, On-Road Heavy Duty Diesel Section, MSCD

Ms. Gloria Lindner, In-Use Control Measures Section, Mobile Source Control Division, MSCD

Mr. Chuck Shulock, Chief, Office of Climate Change

Ms. Monica Vejar, Board Clerk

Mr. Eric White, Chief, Heavy Duty Diesel In-Use Strategies Branch, MSCD

ALSO PRESENT

Mr. Andy Acott

Ms. Vania Ahamdi, Healthy 880 Committee

Mr. Don Anair, Union of Concerned Scientists

Mr. Eric Arriola, East Yards

Mr. David Atwater, Van De Pol Enterprises, Inc.

Mr. Steve Azevedo, Knife River Corp.

Dr. John Balbus, Environmental Defense Fund

Ms. Sharon Banks, Cascade Sierra Solutions

Ms. Diane Bailey, NRDC

Ms. Nidia Bautista, Coalition for Clean Air

Mr. Rick Bettis, Breathe CA

Mr. Brian Beveridge, West Oakland Indicators Project

APPEARANCES CONTINUED

ALSO PRESENT

Ms. Liza Bolanol, Central Valley Air Quality Coalition

Mr. Skip Brown, Delta Construction Company

Mr. Paul Buttner, CA Rice Commission

Mr. Brian Cohen

Mr. Michael Collier, CC Matthes, Inc.

Ms. Christine Cordero, Center for Environmental Health

Mr. Michael Cuhna, Nisei Farmers League

Ms. Lan Dahn, Southwest Transportation

Mr. Irvin Dawid

Mr. Brian Davis, Breathe CA

Mr. William Davis, Southern CA Contractors Association

Ms. Glenda Deloney, CBD

Mr. Dennis Downing, Downing Trucking

Ms. Tiana Drisker, CBD

Mr. Brad Edgar, Cleaire Advanced Emission Control

Mr. Sean Edgar, Clean Fleets Coalition

Mr. Joel Errice, Regional Asthma Management and Prevention

Mr. Allen Faris, Allen Faris Trucking

Mr. Ron Faulkner, Faulkner Trucking

Ms. Christine Foster, Tulare County Asthma Coalition and  
CAFA

Mr. Randal Friedman, US Navy

Ms. Laura Fultz Stout, Coalition for Clean Air

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## APPEARANCES CONTINUED

## ALSO PRESENT

Ms. Catherine Garoupa, Madera Coalition for Community Justice

Mr. Bill Gassaway, low impact logging

Ms. Jill Gayaldo, Elk Grove Unified School District

Mr. Tim Gibbs, National Parks Conservation Association

Mr. Larry Green, Air Quality Sacramento AQMD

Mr. Mark Griffin, Matthew Griffin Trucking

Ms. Jacquie Hansen, Breathe CA

Ms. Susan Jones, D&S Trucking, CDTOA

Ms. Deborah Jordan, US EPA

Mr. Jeremy Jungreis, Marine Corps Installations West

Mr. Andy Katz, Breathe CA

Ms. Melissa Kelly-Ortega, Health Advocate

Mr. Ray Kidd

Ms. Janice Kim, American Academy of Pediatrics

Mr. Camron King, CA Association of Winegrape Growers

Ms. Susan King, CA Nurses Association

Mr. Brandon Kitagawa, Community Action to Fight Asthma

Mr. Alek Kress, ESA

Ms. Camille Kustin, Environmental Defense

Mr. Martin Lassen, Johnson Matthey Catalysts

Ms. Anna Lee, CBE

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APPEARANCES CONTINUED

ALSO PRESENT

Mr. Michael Lewis, Construction Industry Air Quality Coalition

Mr. Angelo Logan, East Yard Communities

Mr. Felipe Lopez, Consejo de Federaciones de Estados Mexicanas

Mr. Tony Luiz, T&L Trucking

Mr. Michael Mach, Oakland High

Mr. Bill Magavern, Sierra Club CA

Mr. Dennis MacFarland

Mr. Mark Matheson, Matheson Trucking

Dr. Richard McCann, Aspen Environmental Group

Mr. Gavin Hugh, CMTA

Mr. Robert Meagher, Sierra Sacramento Valley Medical Society

Ms. Cheryl Moore, POB 390

Mr. Brent Newell, Center on Race, Poverty, and the Environment

Mr. David Norris, Lakeport Unified School District

Ms. Blanca Nunez, Pacoima Beautiful

Ms. Marybelle Nzegwu, Center on Race, Poverty, and the Environment

Mr. Jason Osborn, Manteca Unified School District

Mr. Josh Pane, CAL Bus Association

Mr. Michael Papanian, CA Pollution Control Financing Authority

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Greg Pile, Chaparral Honey, Inc.  
Ms. Patti Pirkle, Pirkle Trucking & Equipment Rental, Inc.  
Mr. John Pitta, John Pitta Trucking  
Ms. Betty Plowman, CDTOA  
Ms. Gale Plummer, Cleaire Advanced Emission Controls  
Mr. Nick Pfeifer, Granite Construction, Inc.  
Ms. Carol Pruett, CDTOA  
Mr. Angel Raposa, CDTOA  
Ms. Jill Ratner, Rose Foundation  
Ms. Mary-Michal Rawling, Golden Valley Health Centers  
Mr. Charlie Rea, CalcIMA  
Mr. Michael Rea, West County Transportation Agency  
Mr. Sean Realite  
Ms. Betsy Reifsnider, Catholic Charities Diocese of Stockton  
Mr. Stephen Rhoades, Kings Canyon, Riverside County Schools  
Mr. Steve Roberts, STR Transport  
Mr. Larry Robinson, Mark Stein Beverage Company  
Mr. Lowell Robinson, Robinson Ent., Inc.  
Ms. Stephanie Roche, Mike Roche, Inc.  
Ms. Kathy Rose, Nose Cone, Aerodynamics  
Ms. Jenny Saklar, Fresno Metro Ministry

APPEARANCES CONTINUED

ALSO PRESENT

Ms. Anna Sanchez, MMCAC

Ms. Sofia Sarabia, CRPE

Mr. Dan Sartell, Button Transportation

Mr. Eric Sauer, CTA

Ms. Julie Sauls, CTA

Mr. Paul Schlenvogt, Blue Sky Bee

Mr. Jason Schmelzer, Cal Chamber

Mr. Steve Shamp, Customer Truck Service

Mr. Charlie Simpson, EM Tharp, Inc.

Mr. Mark Sisco

Mr. Daniel Speth, DLS Trucking

Ms. Melissa Stephens, American Lung Association

Mr. Dick Stuart, Maxim Crane Works

Ms. Luz Elena Tafalla, Consejo de Federaciones de Estados Mexicanos

Mr. Mario Talavera, Latinos Unidos Concientizados al Ambiente

Mr. Bill Terrell, Genesis Construction

Mr. Michael Tunnell, American Trucking Association

Mr. Jorge Villanueva, Pacoima Beautiful

Mr. Mike Waters, CA Business Association

Mr. Steve Weitekamp, CMSA

Mr. Ed Welch, Save the Air in Nevada County

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Bruce Wick, CA Professional Association of Specialty Contractors

Ms. Marie Witte, Mike Roche, Inc.

Mr. Marshall Woodmansee

Ms. Sophia Woodmansee

Ms. Tessa Woodmansee

Mr. Denny Wyatt, APEX Bulk Commodities

Mr. John Yandell, Yandell Truckaway, Inc.

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1 PROCEEDINGS

2 CHAIRPERSON NICHOLS: Good morning, ladies and  
3 gentlemen. We have a very full agenda today. And we have  
4 been figuring out how we can organize our work most  
5 efficiently.

6 First of all, welcome to the second day of the  
7 last Board meeting of 2008 and the continuation of our  
8 hearing on the truck rule.

9 Before we get down to business, including taking  
10 the roll and doing the Pledge which we start the day with,  
11 I just want to do a couple of procedural quick things  
12 because I know people are getting assembled here.

13 So the first is to tell anybody who is waiting  
14 for this that we have moved the item that was on our  
15 agenda for today dealing with the report to the  
16 Legislature on our implementation of AB 233, which is the  
17 report on the Board's enforcement of all of our rules  
18 relating to diesels, to January. That item will not be  
19 heard today. Our total attention is going to be devoted  
20 to these two rules.

21 Second is to tell you that although the  
22 announcement said we would begin and immediately adjourn  
23 to have Board members take a brief tour downstairs to 11th  
24 Street and to have an opportunity to actually look at some  
25 of the technology that's being discussed here on some

1 trucks, that we're going to start to hearing and do the  
2 tour during a break a little later on this morning so that  
3 everybody gets a chance to get started. And I think we'll  
4 make more progress that way.

5           The third thing is I want to introduce you to two  
6 staff people from our Ombudsman office, Kathleen Quetin  
7 and Phil Loder, who will waive their hands. Their job  
8 today is going to be to managers of the testimony list and  
9 to make sure that people are up at the podium in front of  
10 the microphone at their time to testify. We're going to  
11 ask you to come up in groups of five at a time, line up  
12 five deep in front of the microphone and be ready to speak  
13 when your turn comes. Everybody will get their two  
14 minutes that way, but we won't be using up the extra two  
15 minutes it's been taking to get people out of their  
16 chairs, into the room, and in place. I think this will  
17 get us through the whole list more expeditiously and  
18 everybody will get a chance to speak.

19           So I just really want to thank you for your  
20 cooperation. It went really well yesterday. And to ask  
21 you to cooperate with these two Board staff members to  
22 make this all flow very smoothly.

23           And now having gotten your attention, if I could  
24 ask you to please stand up and face the flag.

25           (Thereupon the Pledge of Allegiance was

1 Recited in unison.)

2 CHAIRPERSON NICHOLS: Thank you.

3 Also as part of the opening announcements here, I  
4 did this yesterday, but I need to say again since many of  
5 you were not here.

6 We have translation services available today in  
7 both Spanish and Punjabi. And we have headsets available  
8 in the back I believe. So that anyone who wants to listen  
9 to the proceedings being translated into either Spanish or  
10 Punjabi can do so. And if you wish to have the assistance  
11 of a translator in giving your testimony or translating  
12 your testimony, we can do that as well.

13 And now they will repeat this announcement in  
14 those two languages.

15 (Thereupon the announcement was translated into  
16 Spanish and Punjabi.)

17 CHAIRPERSON NICHOLS: Thank you. I believe this  
18 morning the staff wishes to pass on any further comments.  
19 They have been preparing responses to some questions that  
20 Board members raised yesterday. But they'll be bringing  
21 those back later in the day, and we'll just get started  
22 with the public testimony at this time.

23 If we can begin with the first group of  
24 witnesses, we would appreciate it.

25 Oh, call the roll. Okay. We can call the roll.

1 Sure. Let's call the roll.

2 BOARD CLERK VEJAR: Dr. Balmes?

3 BOARD MEMBER BALMES: Here.

4 BOARD CLERK VEJAR: Ms. Berg?

5 Ms. D'Adamo?

6 BOARD MEMBER D'ADAMO: Here.

7 BOARD CLERK VEJAR: Ms. Kennard?

8 Mayor Loveridge?

9 Mrs. Riordan?

10 BOARD MEMBER RIORDAN: Here.

11 BOARD CLERK VEJAR: Supervisor Roberts?

12 BOARD MEMBER ROBERTS: Here.

13 BOARD CLERK VEJAR: Professor Sperling?

14 BOARD MEMBER SPERLING: Here.

15 BOARD CLERK VEJAR: Dr. Telles?

16 BOARD MEMBER TELLES: Here.

17 BOARD CLERK VEJAR: Chairman Nichols?

18 CHAIRPERSON NICHOLS: Here.

19 BOARD CLERK VEJAR: Madam Chairman, we have a

20 quorum.

21 CHAIRPERSON NICHOLS: Thank you.

22 And for anyone who may be wondering who was

23 watching yesterday, we've been joined today by Board

24 Member Barbara Riordan who was at her -- your office

25 yesterday watching this proceeding on the web cast. And

1 she has followed all the testimony on this rulemaking.  
2 And we're happy to have her here today. And she'll be  
3 able to vote on the end.

4 BOARD MEMBER RIORDAN: Thank you, Madam Chairman.

5 One thing I did learn and it might be helpful for  
6 all of you to know, those of you who are testifying are  
7 speaking as we do as staff members and Board members,  
8 speak into the microphone. Because there were times when  
9 people obviously had moved away from the microphone and  
10 you simply could not hear over the webcast. But you could  
11 get the gist of it. But it really is important to speak  
12 into the microphone.

13 CHAIRPERSON NICHOLS: Thank you.

14 I think these microphones are designed not to  
15 pick up all the noise in the room, which is good. But it  
16 means you really have to be right in front mike to be  
17 heard.

18 Okay. Are we ready now? Do we have a list of  
19 witnesses? We do. I have it in front of me. All right.  
20 Melissa Kelly-Ortega. Can we get started with the rest of  
21 this group?

22 MS. SHARPE: She's not here yet. I believe she's  
23 engine route from Merced. I heard she's on 9th Street.

24 CHAIRPERSON NICHOLS: Since this is a new process  
25 here, we'll just give her a pass.

1 Mark Handle.

2 I'm going to read this whole list, and please  
3 come forward if you're here. Mark Handle, Brett Newell,  
4 Deborah Jordan, Larry Robinson.

5 EXECUTIVE OFFICER GOLDSTENE: Maybe read down to  
6 ten and everybody can line themselves up.

7 CHAIRPERSON NICHOLS: After Brent, who I see is  
8 here and Deborah Jordan, who I see is here, Larry  
9 Robinson, Robert Meagher, Jenny Saklar, Kevin Hamilton,  
10 Mario Talavera, John Yandell, please come on down to the  
11 front all of those people whose names I've just read.  
12 Thank you.

13 Mr. Newell, there may be a prize for being first.

14 MR. NEWELL: I don't see any pretzels up here.

15 CHAIRPERSON NICHOLS: They disappeared.

16 MR. NEWELL: Madam Chairs, members of the Board,  
17 please don't use my time while I turn off my phone.

18 Thank you. And good morning.

19 What I wanted to talk about was the importance of  
20 how this rule meets SIP commitments and the promises that  
21 this Board makes to achieve ambient air quality standards.  
22 What's been discussed are the SIP commitments the 2007  
23 ozone plan.

24 What I want to discuss this morning are those  
25 promised made five years ago in 2003 to meet the one-hour

1 ozone standard, the one-hour ozone standard which is past  
2 fast approaching. In South Coast and San Joaquin Valley,  
3 scores of violations have occurred, and those air basins  
4 won't attain that standard.

5           So why does this rule have any relevance to the  
6 one-hour standard? Well, three years ago the Board  
7 adopted two resolutions, 03-22 and 03-23, both of which  
8 committed to significant mobile source reductions so the  
9 South Coast air basin would attain the one-hour ozone  
10 standard before 2010.

11           Those promises were admitted by staff in a  
12 February letter to EPA not met and were supposed to be for  
13 diesel controls. The regulation today does not deliver  
14 reductions before 2010. It should in order to meet this  
15 Board's earlier commitments. This regulation should  
16 deliver reductions for the South Coast air basin before  
17 2010.

18           The Board has never revoked Resolutions 03-22 and  
19 03-23. Specifically, in Resolution 03-23, the Board  
20 withheld authority from the Executive Officer to weaken  
21 the strategy for the South Coast. So staff never had  
22 authority to not propose those regulations to the Board  
23 for adoption.

24           What are the consequences of not adhering to  
25 those resolutions? Well, the public isn't benefiting from

1 significant ozone and PM2.5 forming emission reductions.  
2 Stationary sources in the South Coast and the San Joaquin  
3 Valley, when there is the failure to attain, will pay  
4 stationary source fees under Section 185 of the Clean Air  
5 Act.

6 I notice Mayor Loveridge isn't here yet this  
7 morning. But on Friday, they had a hearing to adopt that  
8 rule in the South Coast. And the Board did not have a  
9 majority to adopt the rule. The rule would impose between  
10 24 and \$36 million annually on fees as stationary sources.  
11 Stationary sources that have done their part to reduce  
12 emissions. Where this Board hasn't done its part to  
13 reduce mobile source emissions to help that air basin  
14 attain; 24 to \$36 million a year.

15 So to the trucking advocates here that are  
16 calling for a weaker rule, I say to you, you're getting  
17 off pretty easy. Because this regulation should be much  
18 more stringent and help the South Coast air basin reduce  
19 hundreds of tons of mobile source reductions.

20 CHAIRPERSON NICHOLS: I'm sorry. Turns out our  
21 timer is not working.

22 MR. NEWELL: I'll keep talking.

23 CHAIRPERSON NICHOLS: I'm sure you will, but  
24 unfortunately I can't let do you that. If you can just  
25 complete your sentence, we're going to have to call a

1 halt.

2 MR. NEWELL: In conclusion, this Board is going  
3 to adopt a resolution today. It adopted a very important  
4 resolution yesterday to address greenhouse gas reductions.  
5 What confidence does the public have in this Board's  
6 resolutions and this Board's will if it doesn't honor its  
7 own resolutions.

8 CHAIRPERSON NICHOLS: Thank you.

9 Okay. Deborah Jordan.

10 MR. NEWELL: I have postcards.

11 MS. JORDAN: Good morning, Chairman Nichols and  
12 members of the Board.

13 I'm Deborah Jordan, the Air Director for U.S.  
14 EPA's Regional Office in San Francisco.

15 I appreciate the opportunity to come before you  
16 to support the adoption of the proposed in-use truck and  
17 bus rule this morning.

18 The Clean Air Act provides EPA and the State  
19 joint responsibility for protecting the public's health.

20 Did my mike go out?

21 The Clean Air Act provides EPA and the State  
22 joint responsibility for protecting the public's health.  
23 EPA is responsible for setting health-based ambient  
24 standards for pollutants such as ozone and particulate  
25 matter for issuing emissions standards for many sources of

1 air pollution.

2 States must develop implementation plans that  
3 demonstrate how they will control air pollution and how  
4 they will achieve the health-based standards.

5 Over the past year, California has submitted to  
6 EPA plans to meet the federal ozone and fine particulate  
7 standards in the South Coast and the San Joaquin Valley.  
8 These plans show both areas which are home to more than 19  
9 million of the state's residents need additional  
10 significant reductions in NOx and PM2.5 to meet the  
11 ambient standards and to protect the public's health.

12 Without the reductions from the proposed in-use diesel  
13 rule, the California State Implementation Plan will not  
14 demonstrate attainment of the health-based standards and  
15 will not provide Californians the clean air they deserve.

16 EPA has issued national rules to cut emissions  
17 from new on-road and non-road engines by more than 90  
18 percent by combining stringent emissions standards for  
19 diesel engines with clean diesel fuel.

20 EPA standards help to ensure basic health and  
21 protect environmental protection for all of us, but they  
22 do not apply to trucks already on the road. Congress gave  
23 EPA very limited authority in the Clean Air Act to control  
24 emissions from in-use mobile sources.

25 US EPA and California have to same goals:

1 Protecting public health and the environment. The country  
2 continues to look to California for its expertise, its  
3 technical advancements, and its forward thinking in  
4 controlling mobile source emissions.

5 The benefits from California's proposed in-use  
6 truck and bus rule are vital to the State's efforts to  
7 meet Clean Air Act requirements and to improve and protect  
8 the public's health.

9 Again, thank you for the opportunity to support  
10 the proposed in-use truck and bus rule this morning.

11 CHAIRPERSON NICHOLS: Larry Robinson.

12 MR. ROBINSON: My name is Larry Robinson, working  
13 for Mark Stein Beverage Company for nine years as a  
14 mechanic. And before that, I was mechanic in the timber  
15 industry. And I worked there until the timber industry  
16 was closed in 1993 by our President of the United States.

17 And I would tell you that I oppose what you're  
18 doing, and I would ask you to do what the truckers are  
19 asking you to do. Because unlike the President, you have  
20 the opportunity to listen to the people who do the work on  
21 the vehicles and who have been doing it.

22 I've been doing diesel mechanic work for over 30  
23 years from heavy equipment work to trucks. And I do smoke  
24 opacity tests every year. And I can tell you the older  
25 trucks are not running any dirtier than the new ones. The

1 brand-new ones that we don't test, there's not a whole lot  
2 of testing been done on the brand-new ones yet, you know,  
3 with the DPS on them. But I can tell you the air is clean  
4 coming out of the trucks. Just as clean as what you're  
5 going to be proposing. Some of the newer trucks when  
6 they're cold, they run dirtier than the old trucks,  
7 because I've tested those.

8           So I want you to know that don't give up on the  
9 people that are testifying before you today, because I  
10 want to tell you something. I worked in the timber  
11 industry. And President Clinton lied to the workers in  
12 1993 and shut down the national forest when he told us he  
13 would work with us.

14           I actually testified before Congress on the  
15 Endanger Species Act. That's how involved I was. And  
16 that's why I'm here today, to tell you that you need to  
17 listen. Because those owls were never endangered. Never.  
18 I actually worked for the forester Henry Olden who is a  
19 renowned forester that told even the forest service and  
20 the President that there was no endangered species. And  
21 all it was a ploy, just like global warming is.

22           Thank you.

23           CHAIRPERSON NICHOLS: Thank you.

24           Robert Meagher.

25           MR. MEAGHER: Hello. I'm Dr. Robert Meagher, a

1 pediatrician formerly practicing with Kaiser Permanente in  
2 Sacramento for 30 years. And today I'm representing the  
3 Sierra Sacramento Valley Medical Association, which is  
4 made up of doctors in Yolo, El Dorado, and Sacramento  
5 Counties.

6 As you know, diesel pollution causes hundreds of  
7 deaths and many thousands of illnesses in California each  
8 year. Children living near sources of diesel pollution  
9 such as highways and ports suffered double the rate of  
10 asthma and have progressive irreversible lung disease as  
11 they play outdoors near sources of diesel pollution. As  
12 they grow up, they will have increased rates of heart  
13 disease, lung disease, strokes, and cancer.

14 We are concerned by attempts to weaken or delay  
15 regulations that would significantly reduce diesel  
16 pollution and urge you to continue with the regulations as  
17 they have been proposed.

18 Thank you very much.

19 CHAIRPERSON NICHOLS: Thank you.

20 Jenny Saklar.

21 MS. SHARPE: Bad news. Unfortunately, there is a  
22 lot of fog, as you know, coming up. And they are  
23 traveling together. The next three people are actually in  
24 the same van together.

25 CHAIRPERSON NICHOLS: Saklar, Hamilton, and

1 Talavera?

2 BLONDE: Yes.

3 CHAIRPERSON NICHOLS: We'll take them when they  
4 come.

5 John Yandell, followed by Angelo Logan, and  
6 Michael Tunnell.

7 MR. YANDELL: Good morning. My name is John  
8 Yandell, owner of Yandell Truckaway. Family-owned  
9 business operating solely in the state of California for  
10 the last 64 years.

11 CHAIRPERSON NICHOLS: Move up the mike. Thanks.

12 MR. YANDELL: I think the one thing I would like  
13 to make clear to the Board, and I think I can speak for  
14 the in industry in the room today, we are supporting clean  
15 air. I think the thing we're having a difficult time with  
16 today is the time frame. Even though it seems like it's  
17 spread out over a period, the issue gets to be that today  
18 I think from our vantage point, from an industry  
19 depreciation, amortization, utilization, those are the  
20 things that we have to deal with to do this.

21 So again, please let me say we're supporting  
22 this. It's time constraints that we have we're finding  
23 difficult to deal with this.

24 Certainly today to try to ask carriers, people in  
25 the business to retrofit, re-power, replace, and to do so

1 simultaneously with the trailing equipment is an economic  
2 burden that I don't think is a prudent way to approach  
3 this.

4           Certainly today we've all heard about the  
5 economics. You know the economics got to be that the  
6 banking industry is not looking very favorably on us  
7 because I think what's happened is now the equipment is  
8 almost a disposable item. The value, the resale value on  
9 that is certainly in the state has gone away. The economy  
10 with the glut of trade-in equipment has made the traders  
11 themselves almost as disposable as the power units.

12           CHAIRPERSON NICHOLS: Mr. Yandell, could I ask  
13 you -- I would interrupt, but I'll extend your time for  
14 the amount of time I took.

15           For you and for others, the more you can be  
16 specific about your particular company, you know, what the  
17 affect on you is, the number of trucks that you have, how  
18 this will change your plans or the costs, any information  
19 that's factual, you know, that's going to be extremely  
20 helpful to the Board.

21           I don't mean to put you on the spot particularly.  
22 It's just true for all of us that we are in the mode where  
23 we've got a lot of facts in front of us and we're trying  
24 to sort them through. But we need more. Thank you.

25           MR. YANDELL: I'll go back to the fact of 130

1 power units and 350 pieces of trailing equip. We look at  
2 some of the numbers the staff has shown on long haul and  
3 the efficiency of aerodynamics -- we're a regional  
4 short-haul carrier. Do not have the turns in the  
5 equipment. I think we can work within the confines of the  
6 emissions on the power units. But again, to justify the  
7 costs on the trailing equipment, we certainly can't do  
8 that.

9           The one thing I think that's probably evident to  
10 the group that everybody can speak towards this industry  
11 is no longer regulated like we used to be with the Public  
12 Utilities Commission. In those days, if that was the  
13 case, we wouldn't need to be in this room today, because  
14 of Public Utilities would give us the leverage. We don't  
15 have the leverage now and have had not in the 21st century  
16 to get a fuel surcharge. Now to turn around and try and  
17 go back and get this from the shippers today, I don't see  
18 that happening.

19           So basically, you know, what asking for is that  
20 you would consider the alternative the DTCC has so you can  
21 as the Board intelligently help us make this work for you  
22 and the emissions standards and continue to support the  
23 transportation industry.

24           CHAIRPERSON NICHOLS: Thank you, sir.

25           Angelo Logan, followed by Michael Tunnell.

1 MR. LOGAN: Good morning, Chairman Nichols and  
2 members of the Board.

3 My name is Angelo Logan with the East Yard  
4 Communities for Environmental Justice. We are a community  
5 organization in the Commerce east Los Angeles area.

6 And I'm here today to say that we are in full  
7 support of this regulation, and we would like to ask the  
8 Board move forward without delaying or weakening the rule.

9 And my comments really have to do with the  
10 impacts that I see in the community that I grew up in.

11 As it relates to members of my community,  
12 friends, neighbors, I've seen dozens and dozens of  
13 individuals that have been impacted by diesel emissions.  
14 And to put this rule issue into perspective, I don't think  
15 we can quantify or put a value on a human life. So it's  
16 really difficult to talk about the cost when we're talking  
17 about human life.

18 When you've had a member of your family die from  
19 lung or throat cancer who's never smoked a day in their  
20 life, it's hard to put that into perspective. But I urge  
21 you to try to think about that when we talk about the cost  
22 and the benefits.

23 Although it's difficult to do, we have quantified  
24 the cost. And we have quantified the benefits. And I've  
25 got to say from my perspective the benefit outweighs the

1 cost enormously. And going beyond that, I think that we  
2 need to look at the positive of this. Moving forward in  
3 our society, we need to try to move to a greater place  
4 where we can have better quality of life for everyone.

5 And there's also positive to this particular rule  
6 there's job creation and there's economic benefit.

7 And so I would urge the Board to move forward on  
8 this regulation without weakening or delaying. Thank you.

9 CHAIRPERSON NICHOLS: Thank you very much.

10 Michael Tunnell, Martin Lassen.

11 MR. TUNNELL: Good morning, Chairman and members  
12 of the Board. My name is Mike Tunnell of the American  
13 Trucking Association.

14 ATA urges you to strike the necessary balance  
15 between cleaning the air and minimizing economic  
16 disruption by supporting the DTCC alternative for the  
17 reasons you're hearing today and yesterday.

18 My remaining comments focus on the greenhouse gas  
19 regulation. The SmartWay Program provides tools for  
20 fleets to evaluate and reduce greenhouse gas emissions.  
21 These tools include more than just the aerodynamic devices  
22 you're hearing about from the staff. There's a whole host  
23 of mechanisms that fleet can look at and evaluate what  
24 works best for them. There's flexibility in this SmartWay  
25 Program that isn't provided in the regulation. And we're

1 asking that you provide more flexibility into that  
2 regulation by doing the following three items.

3           One is adding an additional compliance option  
4 which allows companies that are deemed compliant in the  
5 SmartWay Program to be compliant with your regulation.  
6 That would involve your staff working with EPA and the  
7 trucking industry to come up with that compliance option  
8 so that we can reduce greenhouse gases most effectively  
9 without doing things that don't work basically.

10           We'd like to see a credit provision for tractors  
11 that come in early, SmartWay certified tractors that are  
12 deployed early and trailers. And for fleets that do more  
13 than they're being asked, we'd like credit for that.

14           And lastly, we'd like some compliance provisions  
15 that address situations of operational safety and  
16 operational where the technology doesn't work. We'd like  
17 a provision there.

18           We'd like to allow companies to remove equipment  
19 from the roadway and into repair shops without being  
20 subject to citations.

21           And then provide a compliance path for bringing  
22 SmartWay tractors 2011 SmartWay tractors into compliance  
23 that had not been purchased

24           CHAIRPERSON NICHOLS: Thank you, Mr. Tunnell.

25           Martin Lassen.

1           MR. LASSEN: Good morning, Madam Chairman and  
2 members of the Board. My name is Marty Lassen, and I work  
3 for Johnson Matthey. And I'm here to support the truck  
4 and bus rule.

5           Johnson Matthey is a technology company that's  
6 been providing solutions for emission control for a long  
7 time. We were there with the Clean Air Act, the Clean Air  
8 Act amendments, the 2007 on-road and the off-road rules,  
9 and even your own Diesel Risk Reduction Rule.

10           The product that we have available for this rule  
11 is a retrofit product that provides both NOx and PM  
12 control. We expect that the devices will be able to get  
13 '98 through 2006 model year engines down to 2007 emission  
14 levels. What that means is that those vehicles would not  
15 have to be touched again until 2020.

16           Additionally, we would be looking at SCR only  
17 systems for 2007 to 2009 engines. And they would then be  
18 compliant through 2022.

19           So the staff is working on verifying my product.  
20 I'm sure they'll keep you updated. And I would be happy  
21 to discuss the SCR II system with you once you come  
22 downstairs to look at the truck. Thank you.

23           CHAIRPERSON NICHOLS: Thank you.

24           Margaret Gordon, Angel Raposa.

25           I really would appreciate it if you folks would

1 cooperate with me and try to line up. Many are doing it.

2 Okay.

3 Margaret.

4 MS. KELLY-ORTEGA: Actually my name is Melissa

5 Kelly-Ortega. We came from San Joaquin Valley. I

6 apologize for being late. We were stuck in fog.

7 CHAIRPERSON NICHOLS: Go ahead.

8 MS. KELLY-ORTEGA: Like I said, my name is

9 Melissa Kelly-Ortega from Merced associated with the  
10 Merced Asthma Coalition.

11 I have three children, two of whom have been  
12 diagnosed with asthma. And I would first like to give  
13 CARB staff a pat on the back for working to meet the needs  
14 of all Californians. It's a big task. And I think you've  
15 made a lot of concessions since last January.

16 Mr. Goldstene stated without swift approval of  
17 this rule, lives will be lost. And I think that's a very  
18 great responsibility. Not just a few lives, thousands of  
19 lives. And so we really appreciate the fact that you will  
20 be taking that responsibility and voting to pass a strong  
21 diesel truck rule today.

22 Passing a strong diesel truck rule will allow  
23 those of us living in extreme non-attainment areas like  
24 the San Joaquin Valley especially for 8-hour ozone a  
25 glimmer of hope that our children will be able to breath

1 clean air.

2           We have a number of us here today who are going  
3 to be handing you postcards that have been signed by  
4 people around the state who support you adopting a strong  
5 health protective rule. And we're going to be coming up  
6 and handing you stacks of postcards. People will be doing  
7 that from all over the state of California. And these are  
8 stacks we've collected I think over 300 in the San Joaquin  
9 Valley.

10           CHAIRPERSON NICHOLS: Please deliver them to the  
11 clerk. Thank you.

12           MS. KELLY-ORGETA: Thank you very much. And we  
13 hope that you'll pass a diesel truck rule today.

14           CHAIRPERSON NICHOLS: Thank for your work on  
15 behalf of people who we need your help.

16           Who is next?

17           MS. RAPOSA: Good morning, Madam Chair and ladies  
18 and gentlemen.

19           My name is Angel Raposa. And my husband Jake and  
20 I have been owner-operators for over 40 years in the Bay  
21 Area.

22           Being hard hit in 2007 and with the first quarter  
23 of 2008 proving even worse, we have been trying to sell  
24 two pieces of our equipment. We have been hit not only  
25 with the volatile economic environment, but with our

1 industry's anticipation of the on-road rule. Our  
2 equipment has lost so much of its value we are unable to  
3 sell. We always counted on the fact that selling our  
4 equipment would carry us through the worst times. We have  
5 lost that ability and soon our livelihood.

6 Both Jake and I have been members of California  
7 Dump Truck Owners Association for over 24 years. We have  
8 both held multiple positions, both on the Executive  
9 Committee and local chapter level. Because of the  
10 knowledge we gain, we can consistently keep current with  
11 rules and regs.

12 During our last smoke test, our equipment tested  
13 between a two and four percentile. Your own rule allows  
14 our equipment to have a 40 percent test and pass. How can  
15 equipment with such a low percentile be deemed worthless  
16 because of the year their engine was manufactured?

17 My husband was diagnosed with asthma while in the  
18 marines over 49 years ago. His doctors deemed him asthma  
19 free in 1976, eleven years into his owner-operator life.

20 We have known countless truckers over the year.  
21 We have never known any to die from diesel-related  
22 cancers.

23 Because of the late models and few trucks that we  
24 own, we fall through the cracks. No grant will touch us  
25 or will we be able to attain financing. We work with

1 hundreds of other owner-operators who fit this same mold.  
2 Should we continue running a legal operation, we will all  
3 be out of business.

4 CHAIRPERSON NICHOLS: Thank you, Ms. Raposa.  
5 Your time is up.

6 Dr. John Balbus.

7 DR. BALBUS: Good morning, Madam Chairman,  
8 members of the Board.

9 My name is John Balbus. I'm the Chief Health  
10 Scientist for Environmental Defense Fund and a physician.

11 Thank you very much for the opportunity to  
12 provide testimony today.

13 As a public health professional, I can state  
14 emissions from diesel engines are one of the most  
15 significant sources of toxic air pollution. Scientific  
16 literature is filled with studies of effects of diesel  
17 emission to the lungs, the immune system, heart and  
18 cardiovascular system, and even most recently the  
19 developing brain.

20 Behind the 21,000 deaths that are estimated to  
21 occur annually and to occur as far out as the year 2010,  
22 there are many hundreds of thousands of lives that are  
23 also effected by heart disease, asthma, and possibly loss  
24 of IQ.

25 What I would like to do today is to take an arm

1 chair bus tour with you to demonstrate what California is  
2 proposing to do is completely consistent and in line with  
3 what state and local governments across the country are  
4 doing to address this major public health threat.

5 Starting in Massachusetts, law makers there have  
6 introduced bills in their State House and Senate that will  
7 require retrofits on all State-owned, leased, or  
8 contracted diesel equipment and all municipal waste trucks  
9 by 1211 and 2012 respectively.

10 In New York City, where diesel exhaust is  
11 responsible for well over 80 percent of the total cancer  
12 risk from air-borne toxics, local laws there require the  
13 use of ultra-low sulfur diesel and retrofits on all  
14 municipal construction projects. And the World Trade  
15 Center site is there a national model for requiring  
16 retrofits on construction equipment.

17 In Washington, DC, where I've come from today,  
18 Congress passed the Diesel Emissions Reduction Act in 2005  
19 which has authorized a billion dollars over five year for  
20 retrofits.

21 Texas is the next stop. They passed their  
22 emissions reduction plan bill in 2001. This provided an  
23 average of \$130 million each fiscal year for replacement,  
24 retrofits, repowering of highly polluting diesel engines.

25 And then California of course broke new ground as

1 far as back as 1999 with the Carl Moyer Program, which has  
2 provided hundreds of millions of dollars in grants to  
3 speed the replacement --

4 CHAIRPERSON NICHOLS: Dr. Balbus, that's the  
5 sound your time is up.

6 DR. BALBUS: My final statement is just in  
7 passing this rule, California is acting in complete  
8 consistency with the national movement to try to clean up  
9 this very dangerous source of pollution. Thank you very  
10 much.

11 CHAIRPERSON NICHOLS: Thank you.

12 Mr. Kitagawa.

13 MR. KITAGAWA: Good morning. Thank you. My name  
14 is Brandon Kitagawa. I'm here today on behalf of  
15 Community Action to Fight Asthma, the statewide network of  
16 asthma coalitions.

17 We would like to thank CARB for tackling diesel  
18 emissions which is by far the largest air quality concern  
19 of our asthma network.

20 Because the regulation before you today  
21 represents the best opportunity for California to improve  
22 some of the dirtiest air in the nation and reverse the  
23 trend that is seeing the rate of asthma prevalence in the  
24 state rise by 25 percent between 1999 and 2005, we urge  
25 you to approve a strong health protective rule.

1 CAFA members deal with effects of diesel  
2 pollution every day. We see students forced indoors at  
3 school for recess. We see the economic burdens on  
4 families with children with asthma.

5 Implementing this rule without delay will  
6 significantly relief the burden of asthma in communities  
7 across the state. We do however have a concern with the  
8 exemptions provided to agriculture. These special  
9 consideration will compromise the health protections of  
10 the regulation for those living and working near the  
11 agricultural industry, specifically in the central valley  
12 where it will already be a challenge to meet federal air  
13 quality standards.

14 Finally, we hope that CARB continues to  
15 vigorously outreach to truck owners to ensure incentive  
16 programs are understood and accessible. We will not see  
17 the benefits of this regulation if owners aren't able to  
18 comply. So ensuring owners are aware of the multiple  
19 funding sources that can be leveraged and assist  
20 individual truck and fleet owners will maximize compliance  
21 with the rule and minimize economic burden.

22 Thank you.

23 CHAIRPERSON NICHOLS: Thank you very much.

24 Jack Pfeifer.

25 MR. PFEIFER: Nick Pfeifer.

1 CHAIRPERSON NICHOLS: Nick Pfeifer. Excuse me.

2 Mr. PFEIFER: I'm Nick Pfeifer, Special  
3 Operations for Granite Construction's Corporate Equipment  
4 Department. And one of my responsibilities in that  
5 position is ensuring Granite's fleet is in compliance with  
6 CARB emissions regulations.

7 Granite owns and operates about 600 heavy-duty  
8 diesel trucks in California. And I would like to hit on  
9 two issues that come to the top with reference to  
10 Granite's fleet.

11 The majority of Granite's trucks are support  
12 equipment in nature. They're service trucks, fuel lube  
13 truck, trucks that service heavy equipment and support our  
14 jobs. And in that application, it is very difficult to  
15 retrofit those trucks.

16 I'm not going to argue the point that the  
17 retrofit market for on-highway trucks is far advanced  
18 relative to the off-road markets. But in the low load  
19 application in many instances a retrofit is just not  
20 possible.

21 So I would ask that you consider -- to take the  
22 time to consider the challenges that we face with  
23 retrofitting vocational duty vehicles and make the  
24 appropriate adjustments in those applications.

25 The second concern I have is the cumulative

1 effect of this regulation with other CARB regulations. We  
2 currently fall under six fleet rules this would make  
3 number seven. And it's very challenging and complicated  
4 when you start combining rules.

5 My request would be that CARB were to start a  
6 courtesy inspection program similar to what Cal/OSHA  
7 offers where a company can request an inspection. And  
8 CARB can come out, work with the company. The company  
9 would open their books. Open their fleet for inspections.  
10 And would then be given a grace period to remedy any  
11 situations that are uncovered.

12 I have the same concern that there needs to be  
13 very strong enforcement with all of these CARB rules to  
14 maintain an even playing field. But I think a program  
15 like this would compliment the enforcement rather than  
16 undermine it.

17 CHAIRPERSON NICHOLS: Thank you. Appreciate the  
18 suggestion.

19 Josh Pane.

20 MR. PANE: Madam Chair, Josh Pane on behalf of  
21 the California Bus Association.

22 First, we would like to applaud the Board for  
23 their work over these many months. Applaud the staff, Mr.  
24 Goldstene's staff, and all of their work. We've worked  
25 scores of hours, and finally we came to a position of

1 neutrality after a lot of opposition.

2 I think in the end when you look at this rule, we  
3 have a brand-new 2009 member bus outside for you for the  
4 tour, amador Stage Lines. You'll see what a brand-new bus  
5 is.

6 I think I'll just make one point. Mike Waters  
7 I'll introduce next on your list.

8 Buses are 450 to \$500,000. Staff had recognized  
9 that. Finally, staff realized it's really a truck and bus  
10 rule. First it was just a diesel engine rule.

11 Staff went a long way over scores of meetings and  
12 hours to come down to a position and finally understand  
13 the bus industry.

14 So on behalf of the over 100 companies, one  
15 person operation to multi-bus operation, we appreciate  
16 that.

17 Now Mike Waters, former president of the  
18 Association, a person who took the chairmanship of the  
19 clean bus rule that we started calling it I'd like to  
20 introduce. Mike.

21 CHAIRPERSON NICHOLS: Thank you.

22 MR. WATERS: Thanks, Josh.

23 Madam Chair and Board, my name is Mike Waters,  
24 Vice President of Coach America San Franciscan Lines in  
25 San Francisco, about an 80 bus operation in the Bay Area,

1 and a director of the California Bus Association.

2 I appreciate the opportunity to register the  
3 neutral position on regulation 2025 taken by the  
4 California Bus Association.

5 During the course of the past year, the CBA has  
6 met with staff as well as Board members regarding the  
7 impact these proposed emission regulations would have had  
8 on our industry. While the population of motor coaches is  
9 only about one-seventh that of the school buses registered  
10 in California, we felt that the modeling used by the draft  
11 rule had its foundation a replacement cost for buses as  
12 Josh mentioned similar to that of heavy-duty trucks of  
13 about 130- to \$150,000. The current price of a 2008-2009  
14 motor coach can vary between 450-, \$470,000.

15 Again as Josh had mentioned, there is a display  
16 motor coach model out front, a 2009 model, with the latest  
17 DPF upgrades.

18 An accelerator replacement model as it was  
19 originally proposed in the regulation would have been for  
20 our industry a business and a job killer. While we met  
21 numerous times with ARB staff members Eric White and Tony  
22 Brasil -- thank you, Eric -- and the staff modelers, and  
23 encountered some tough negotiations. We were able to  
24 reach a point where the association believes that with the  
25 adjustments made to the rule under the motor coach

1 modification our association and industry members have a  
2 proposed rule that has a chance of working without  
3 imposing crippling financial burdens on its members  
4 through the forced early replacement of usable buses with  
5 all new vehicles.

6 Thank you again.

7 CHAIRPERSON NICHOLS: Thank you.

8 Allen Faris.

9 MR. FARIS: Good morning, Madam and members of  
10 the Board.

11 My name is Allen Faris. I've born and lived in  
12 Sacramento all my life. I'm in the rock, sand, and gravel  
13 trucking. Been over 40 years in Sacramento hauling rock,  
14 sand, and gravel.

15 You asked to testify about things that you can  
16 personally say.

17 I was born with asthma and very sick. And about  
18 the age of 17 completely through the doctor's and  
19 everything else outgrew it and never had any problems  
20 since. I've been around diesel trucks -- working on them  
21 for like almost 50 years.

22 But anyway, I want to testify on what this rule  
23 has done already just the potentiality of it to assets of  
24 people with older trucks. And you've heard testimony.  
25 Seventy-five percent of my fleet is mechanical engines.

1 We run local within 100-mile radius at the maximum. And  
2 you know how the construction industry is. You work maybe  
3 50, 60 percent of the time.

4           People's assets, you've heard that they're just  
5 diminished and they've gone. I can personally testify to  
6 that. I think it's wrong to say that a vehicle that has  
7 useful life no matter what year it is that complies with  
8 all the smog related issues of when it was built and what  
9 it had to comply with, I think it's wrong to say it has to  
10 go away for good.

11           Our industry and myself personally depend on the  
12 independent owner-operator very heavily. And they make up  
13 the majority be it aggregate, trucking, or whatever it is  
14 the owner-operators make up the majority of the industry  
15 out of necessity. They're very valuable. And I'm afraid  
16 you're going to cut them in about half. Half of them are  
17 going to be gone. They're not going to be able to make  
18 it.

19           Then you take into consideration that where our  
20 country is right now financially, it's just -- I hope that  
21 you take a look at the alternatives to this.

22           CHAIRPERSON NICHOLS: Thank you.

23           Joel Errice.

24           MR. ERRICE: Good morning. My name is Joel  
25 Errice. I'm Associate Director of RAMP, Regional Asthma

1 Management and Prevention, a regional collaborative  
2 working to reduce the burden of asthma in the Bay Area.  
3 Also a member of the Health Network for Clean Air and  
4 Ditching Dirty Diesel.

5 I'm here today to urge you to adopt the diesel  
6 truck rule without delaying implementation dates or  
7 maintaining the exemption for agriculture. I know this is  
8 a tough economic climate in which to implement new  
9 regulations, but consider the health costs that's  
10 currently shouldered by far too many of us.

11 Children, for example. One in six kids here in  
12 California has been diagnosed with asthma. One in six.  
13 In some communities, generally poor or minority  
14 communities, the number is closer to one in four.

15 Sadly, but perhaps not surprisingly, many of the  
16 communities disproportionately burdened by asthma are the  
17 same communities disproportionately burdened by diesel  
18 pollution. The diesel truck rule will help correct this  
19 injustice, as less pollution in the air means less asthma  
20 attacks.

21 While there are costs to this rule, consider the  
22 costs of inaction. In 2004, asthma hospitalizations among  
23 kids cost \$667 million. Reducing diesel pollution will  
24 help reduce hospitalizations.

25 A recent study showed air pollution in the South

1 Coast and the San Joaquin Valley regions cost the state's  
2 economy \$28 billion annually. With this rule, money spent  
3 on ER visits can instead be spent on products and  
4 services. Parents losing work can instead be productive  
5 at work.

6 We also need this rule to help clean air  
7 requirements or we risk losing valuable highway funding.

8 Let me close on a personal note. I have asthma.  
9 Fortunately, it's not too severe. But I still carry my  
10 inhaler with me in case I run into a problem.

11 There is a park near my apartment that my fiance  
12 and I like to go to. Perfect for walks, with one  
13 exception. Near the parking lot there is often a row of  
14 diesel trucks serving a nearby distribution center.  
15 During some of those times when the trucks are coming and  
16 going, there is a strong smell of diesel in the air and my  
17 asthma kicks in.

18 By approving the rule, you'll be making such  
19 places safer for me and literally millions of others.

20 Thank you.

21 Also have some post cards.

22 CHAIRPERSON NICHOLS: Thank you. Give them to  
23 the clerk. And we'll be sure to get them.

24 Danny Wyatt.

25 MR. WYATT: Good morning, Madam Chairman, Board.

1 My name is Denny Wyatt. I'm an owner of APEX Bulk  
2 Commodity. We are a California-based dry bulk carrier.  
3 Principle business is in the construction end.

4           Eighteen months, ago we employed 550  
5 Californians. These days, that's down the a number less  
6 than 400 with the economy.

7           We are probably one of the companies that the air  
8 pollution people like the best. We rotate our trucks out  
9 at four- to five-year intervals. We buy new equipment.  
10 We average about 120,000 miles a year per unit. So at  
11 five- to 600,000 miles is the trade cycle.

12           Trucks in the year 2000 cost us 65- to \$70,000 to  
13 purchase. Trucks that we recently purchased in before  
14 2009 models were \$110,000.

15           On the 2002 trucks that we are trading in on some  
16 of the 2009 models, those trucks we anticipated under  
17 historical facts would bring us about 25 to \$28,000 on  
18 trade in. The dealer just gave us \$10,000 for a 2002  
19 truck.

20           We buy new trucks to -- a little clarification  
21 from yesterday. We buy new trucks because it is the best  
22 financial decision that we can make. You can get  
23 financing for new trucks up to six to seven years. The  
24 interest rates when you buy new trucks are five-and-a-half  
25 to six percent instead of eight, nine, ten percent. Used

1 truck equipment generally will only be financed for three  
2 years if you don't have some advantage from the Board.

3 We are also participating in all of the air  
4 programs we can participate in in California. And  
5 currently have applications in for somewhere around a  
6 million dollars in grant money.

7 CHAIRPERSON NICHOLS: Sorry your time is up.

8 MR. WYATT: Thank you.

9 CHAIRPERSON NICHOLS: Ms. Stephens.

10 MS. STEPHENS: Thank you for allowing me to speak  
11 this morning. My name is Melissa Stephens. I work for  
12 the American Lung Association and lead the San Diego  
13 Regional Asthma Coalition.

14 I'd like to echo all the thoughts of some of my  
15 colleagues from CAFA this morning and to let you know that  
16 the San Diego Regional Asthma Coalition urges a strong  
17 rule.

18 I want to bring in maybe some extra regional  
19 statistics and some things you may or may not have thought  
20 about in going through this process. And I'd just like to  
21 share with you some of the SANDAG studies. That's the San  
22 Diego Association of Governments.

23 Public opinion survey in 2005, this was rated a  
24 public study. San Diego's number one problem was traffic  
25 congestion. And again with that study had some issues

1 with the border between Mexico and the United States. The  
2 Otay Mesa port of entry is the busiest commercial border  
3 with 1.4 million trucks with \$22 billion of goods movement  
4 coming through that border annually.

5           What this means with 45-minute to two-hour wait  
6 times at the border, as we know, emissions do not know a  
7 border. So we are -- I was just thinking as far as the  
8 trucking, oftentimes the trucks from the United States end  
9 up in Mexico. So therefore we are hoping to maybe solve a  
10 little bit more of a global issue.

11           Also want to talk about very briefly the asthma  
12 effects in San Diego County. About 361,000 people  
13 affected with asthma, as well as 25 percent of kids who  
14 have asthma missing school. Seventeen percent of adults  
15 missing school. Of those 361,000, 41,000 not being  
16 insured.

17           These are just some local statistics just want to  
18 share with you this morning and urge a strong rule.

19           So thank you for your time.

20           CHAIRPERSON NICHOLS: Thank you.

21           Daniel Speth.

22           MR. SPETH: Good morning, Madam Chair and the  
23 Board.

24           My name is Daniel Speth. I'm an owner-operator,  
25 one truck. I've been in business for about eight years.

1 I'm a short-haul driver. Most of my work is at a  
2 cemetery, which doesn't put a lot of miles on my truck.  
3 And a lot of this grants and things, you know, I just  
4 don't put the miles on, so I can't make it happen with  
5 that.

6 I'm also the chapter Chairman of the San Fernando  
7 Valley California Dump Truck Owners Association. There's  
8 60 members. And most of them all owner-operators. And  
9 they're all going to be put out of business, because they  
10 won't be able to buy new trucks or retrofit old trucks.  
11 Most of them are pre-'94s. Mine is an '89. Just won't be  
12 able to replace that.

13 You say, you know, to buy just the truck is one  
14 thing. But to buy the equipment that goes on the truck is  
15 another thing. To buy a box for a dump truck is \$30,000.

16 We just don't have the margin as an  
17 owner-operator with our work down 50 percent at least.  
18 Some members I've talked to are down 70 percent. With the  
19 economy the way it is, it just doesn't seem like we're  
20 going make it.

21 CHAIRPERSON NICHOLS: Excuse me. Can I ask you a  
22 question? I'll extend your time. Because I think we've  
23 heard from a couple of people in somewhat similar  
24 situations.

25 What would happen to your employer? You work for

1 the cemetery association?

2 MR. SPETH: I work for a contractor that works  
3 for --

4 CHAIRPERSON NICHOLS: So suppose you were no  
5 longer able to be in business. What would they do? I  
6 mean, how would your work get done? Do you have any idea?

7 MR. SPETH: They would have to find someone else  
8 to do it.

9 CHAIRPERSON NICHOLS: But anybody else would be  
10 in the same situation as you; right?

11 MR. SPETH: They wouldn't be an owner-operator.  
12 They would have to hire a big company, and the cost would  
13 go up. It's just cost on cost on cost. Just keeps going.

14 CHAIRPERSON NICHOLS: Right. Believe me we are  
15 not suggesting that's what we want to see happen.

16 MR. SPETH: But I want to let you know when the  
17 rain comes and the mud starts sliding, the levees start  
18 breaking, they call us to go take that away. And we  
19 aren't going to be there. And I don't know how you're  
20 going -- I mean, the cost of that will go up to remove the  
21 dirt.

22 But we're short haulers. We don't go a 100,000  
23 miles a year. And we don't pollute that much. We'd like  
24 some kind of resolution in there to give us a little more  
25 leeway. And let the technology come. And we will sooner

1 or later get new trucks and hopefully not pollute that  
2 much.

3 CHAIRPERSON NICHOLS: Thank you.

4 Lee Jennings.

5 If not, it was Sean Realite.

6 Okay. Patti Pirkle. That's you. Okay.

7 MS. Pirkle: Hi. Good morning, Madam Chairman,  
8 honorable Board. My name is Patti Pirkle, and I'm with  
9 Pirkle Trucking and Equipment Rental. Also State  
10 Treasurer and Chapter Chairperson for CDTOA.

11 I've been in business 28 years. I'm a trucking  
12 broker as well as a trucker. I've worked the earthquakes,  
13 the floods, the fire, several freeway widening jobs, and  
14 numerous private contractors jobs through the years.

15 Little over a year and a half ago, I wanted to  
16 get the jump on the regulation that was coming before us  
17 and purchase two newer trucks to stay within compliance.  
18 I have a total of seven power units, five of which I have  
19 recently parked because there's little to no work in the  
20 south. What is there is going for very, very cheap. And  
21 it's very difficult for me to compete paying a driver a  
22 decent wage, work comp, payroll taxes and on and on, plus  
23 medical benefits.

24 My apologies.

25 With our economy in the dumpster, the banks in

1 trouble, no one can get a loan, and if they can, they  
2 can't afford the payments. I'm sitting in that situation  
3 now with the two newer ones I purchased. The payments are  
4 \$3,800 a month, not to mention the higher insurance rates.

5 I feel the Board should consider the alternative  
6 to help the small trucking businesses, plus many, many  
7 owner-operators stay in business. And I feel being as the  
8 Governor is trying to place a plan to save the state of  
9 California from bankruptcy, I wonder who's going to save  
10 us. Thank you.

11 CHAIRPERSON NICHOLS: Thank you.

12 John Pitta.

13 MR. PITTA: Good morning. John Pitta, John Pitta  
14 trucking, Salinas, California.

15 I am a three dump truck operator, one of which is  
16 parked. Just the proposal of this rule has wiped out my  
17 equity. The rule will put me out of business, period.

18 I would urge you to consider -- the State of  
19 California is not going to suffer when John Pitta Trucking  
20 goes out of business. But I am one of thousands that  
21 employ more thousands. And we are all going to be out of  
22 business. I would urge you to consider the alternative  
23 rule.

24 Thank you.

25 CHAIRPERSON NICHOLS: Jacqui Hansen.

1           Excuse me, sir. Could you before you leave just  
2 explain why you're going out of business?

3           BOARD MEMBER ROBERTS: Help us understand.

4           CHAIRPERSON NICHOLS: We need more specifics.

5           BOARD MEMBER ROBERTS: How the alternative  
6 rules -- it sounds like if you have the alternative rule  
7 you're going to be okay.

8           MR. PITTA: It delays the inevitable. And my  
9 newest truck is a 2003. It has 250,000 miles. It's not  
10 worth anything anymore. It's a perfectly serviceable  
11 truck. It complies with all the rules that were in force  
12 when it was built. It tests clean.

13           BOARD MEMBER ROBERTS: How much time would the  
14 alternative give you?

15           MR. PITTA: I don't know, but it would give me  
16 some time. But I cannot afford to retrofit three trucks.  
17 I can't afford to buy new trucks.

18           I'm 64 years old. It's not going to kill me. My  
19 two employees are going to lose their sole source of  
20 income, their health benefits. They'll get other jobs,  
21 but it will be a while. And I'm just -- the State of  
22 California is not going to suffer when I go out of  
23 business. But I'm one of thousands, not only in the dump  
24 truck industry but other industries. And we employ  
25 thousands.

1           CHAIRPERSON NICHOLS: Okay. Thank you. We heard  
2 you.

3           Jacqui Hansen.

4           Dennis Downing.

5           MR. DOWNING: Good morning, Madam Chair and the  
6 Board. My name is Dennis Downing. I'm from Apple Valley,  
7 in San Bernardino County.

8           My family has been in the construction business  
9 since 1952 and specifically construction trucking since  
10 1971.

11           I'm a second generation trucker, and my son is a  
12 third generation trucker. And it's kind of been said by  
13 other people giving testimony that construction industries  
14 kind of a handed-down trade from family member to family  
15 member. And that's been pretty consistent with what I've  
16 discovered in my career.

17           The interesting thing about construction trucking  
18 is that we don't run the miles. At least what we do in  
19 our area, we don't run the miles the over-the-road do. So  
20 consequently we do not generate the revenue the  
21 over-the-road trucks do. And so we in years past have  
22 bought the over-the-road trucks as they phase out their  
23 trucks to buy newer trucks. We bought what they sold off.

24           Obviously, that's not going to work in the  
25 future. But we still have a revenue problem, because we

1 don't generate the revenue the over-the-road truck does.

2           And I want to say first and foremost, we are  
3 truckers, but we are also Californians. And we want clean  
4 air, too. And so these rules that you're suggesting here,  
5 no one -- I haven't heard one single person even in the  
6 trucking industry say they are not in favor of doing  
7 something to clean up the air.

8           But what we are trying to go towards is  
9 compromise. We hear that so much on television. And  
10 especially when it comes to politics, reaching across the  
11 aisle, compromising. That means each party gives a little  
12 bit.

13           And the DTCC proposal was on a chart yesterday,  
14 and it was interesting to look at that chart. Because  
15 doing nothing was one line. Doing the proposed plan was  
16 another line. And the DTCC was right in the middle. A  
17 compromise. That's what we're asking for. We are not  
18 certain how we're going to comply with these, even with  
19 the compromise. But at least it gives us time to try to  
20 secure funds, even with grants, the grants are not enough  
21 to apply complete units. We have to get financing for the  
22 balance.

23           Thank you.

24           CHAIRPERSON NICHOLS: Okay. Catherine Garoupa.

25           MS. GAROUPA: Catherine Garoupa with the Madera

1 Coalition for Community Justice. We work in proud  
2 partnership with the Central Valley Air Quality Coalition.

3 I was born and raised in Madera, so I'm also  
4 speaking from a local perspective as a San Joaquin Valley  
5 resident.

6 I'm here today to support a strong diesel truck  
7 rule and recognize the significance of the decision that  
8 you'll make. I also have a stack of several hundred  
9 postcards that we collectively have worked to gather in  
10 support of this rule.

11 But I must also speak strongly in saying I oppose  
12 the agricultural exemptions that's currently within the  
13 proposal.

14 The slides of your staff presentation from  
15 yesterday, specifically slides 21 and 27, really speak to  
16 the localized impact that many residents of Madera County  
17 and the San Joaquin Valley will face in these agricultural  
18 trucks are not cleaned up, particularly slide 27 which  
19 shows the increased cancer risk that people in those  
20 localized area are going to face.

21 In addition, the mileage provision is a concern  
22 for me, because many of these trucks in the orchards and  
23 fields are not necessarily putting on a lot of miles.  
24 Sometimes, they're sitting in the orchards idling for  
25 hours, which is releasing emissions that are I'm very

1 concerned about.

2           Furthermore, I believe the end of 2009 is far too  
3 long to wait for your staff to come back with further  
4 details about what those localized impacts are really  
5 going to be. Because as many people have said before me,  
6 at the end of the day, what we're here to accomplish for  
7 everyone is clean air. I believe that clean air is a  
8 fundamental human right. And, unfortunately, most  
9 residents of the San Joaquin Valley -- in fact all of us  
10 don't enjoy that privilege yesterday. And I'm concerned  
11 that adding this ag exemption is going to mean we're going  
12 to wait even longer before we breathe clean air.

13           I urge you to pass the strong truck rule and urge  
14 you to remove or tighten the agricultural exemption.  
15 Thank you.

16           CHAIRPERSON NICHOLS: Thank you.

17           Marybelle Nzegwu.

18           MS. NZEGWU: Good morning. My name is Marybelle  
19 Nzegwu. And I'm a staff attorney at the Center on Race,  
20 Poverty, and the Environment. And I'm here today to talk  
21 about the State Implementation Plan, because this rule is  
22 essential for the State to meet the commitment made in the  
23 2007 State strategy.

24           As staff presented yesterday, this rule is  
25 critical to meet the obligations in the SIP. Every ton of

1 reduction that can be achieved goes towards meeting ARB's  
2 duty under the State strategy.

3           Secondly, once this rule is adopted, the Board  
4 must submit it to EPA for inclusion in the State SIP,  
5 which the Board currently does not do. Inclusion in the  
6 State SIP is necessary for three reasons.

7           First, the EPA has to approve the rule as an  
8 adequate measure to meet SIP requirements.

9           Secondly, this will give clarity as to how and if  
10 the SIP commitments are being satisfied.

11           And thirdly, submission of the rule to EPA allows  
12 the public to enforce the rule under the federal law.

13           So I urge you to make a strong commitment in this  
14 rule and also to submit it to EPA for inclusion in the  
15 SIP.

16           Thank you.

17           CHAIRPERSON NICHOLS: Thank you.

18           MS. NZEGWE: Oh, sorry. I also have these  
19 postcards that I would like to submit.

20           CHAIRPERSON NICHOLS: Thank you very much.

21           Diane Bailey.

22           MS. BAILEY: Good morning, Chairwoman Nichols and  
23 members of the Board and staff.

24           My name is Diane Bailey. And I representing the  
25 Natural Resources Defense Council in very strong support

1 of both rules, the diesel bus and truck and the greenhouse  
2 gas truck rule. And we urge you to move forward to adopt  
3 these very important rules and take a second historic  
4 action this week.

5           We simply can't afford not to adopt these  
6 important truck cleanup regulations. They're critical to  
7 California's air quality, public health, and climate  
8 goals.

9           And I don't want to repeat the testimony of my  
10 colleagues. We also support the suggestions to improve  
11 especially the ag exemption as we've outlined in our  
12 written comments.

13           And I want to note we've heard a lot of  
14 heart-wrenching stories today as well as yesterday from  
15 truck owners. And we don't discount their struggles to  
16 comply with these regulations and put forth the capital  
17 costs during a tough economy.

18           But we must stay focused on the staggering health  
19 impacts of diesel pollution. Diesel pollution kills  
20 thousands of Californians every year. And these two rules  
21 will save 9400 lives and over \$40 billion in health care  
22 costs. They'll prevent thousands of air pollution related  
23 illnesses and contribute to our State's global warming  
24 reduction goals.

25           The truck industry has had more than a decade to

1 tap into public funds to get a jump start on these  
2 regulations and cleanup. And they'll continue to have  
3 another decade to fully cleanup under the time frames of  
4 the regulatory proposal.

5           With one billion dollars of public funds and  
6 grants and loans available to help those who need them  
7 most, we think it's critical to move forward with these  
8 rules today.

9           Up until now, residents of California have been  
10 subsidizing the trucking businesses with their lungs and  
11 health. And the long-term financial benefits of avoided  
12 health impacts from the proposed regulation are at least  
13 ten times greater than the capital costs. And it's  
14 important to recognize that. In fact, while the green job  
15 benefits of these regulations haven't been quantified, we  
16 know that substantial labor will be needed to install the  
17 pollution controls and the aerodynamic retrofits. And we  
18 urge you to move forward to create green jobs and protect  
19 public health today.

20           Thank you very much.

21           CHAIRPERSON NICHOLS: Thank you, Ms. Bailey.

22           MS. BAILEY: I have another stock of postcards.

23           CHAIRPERSON NICHOLS: Before we proceed to the  
24 next witness, who's Bill Terrell, I just want to ask Eric  
25 White, you can be the person to respond here. We use a

1 lot of shorthand in these hearings sometimes, but I just  
2 want to be clear, the staff is not proposing an exemption  
3 for agriculture from this rule.

4 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
5 WHITE: No. Absolutely not. We've tried to be very  
6 careful to not couch it as such. We built some specific  
7 provisions recognizing some of the unique aspects of  
8 agricultural vehicles to clean them up on a time line that  
9 makes sense relative to their use the unique aspects of  
10 many of the vehicles. But it's not an exemption.

11 CHAIRPERSON NICHOLS: Ultimately within some  
12 fixed period of time, they have to come into compliance  
13 with the standard.

14 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
15 WHITE: Every agricultural vehicle will get to the same  
16 place just as every other over-the-road truck will. And I  
17 think that's very important to remember.

18 CHAIRPERSON NICHOLS: Thank you.

19 Bill Terrell.

20 MR. TERRELL: Good morning, Chairman Nichols, Air  
21 Resources Board.

22 My name is Bill Terrell. For the past 25 years,  
23 I've been an operation superintendent with Genesis  
24 Construction in Hemet, California.

25 As California contractors directly affected by

1 the pending on-road rule, I have firsthand information on  
2 how this has effected us. A year ago, we chose to sell  
3 off half of our mixed fleet, water trucks, dump trucks,  
4 low beds, service trucks, and the like. Unfortunately,  
5 the fear and uncertainty regarding the on-road rule has  
6 effected older truck values statewide. Actual results  
7 from auctions we participated in, private sales, have  
8 shown a drastic reduction in what our older equipment and  
9 trucks are worth. We're contractors. We have equipment  
10 and trucks. We're getting hit from both sides.

11           The severe reduction in value while partially  
12 attributed to the current economy is for the most part a  
13 direct result of the pending rule and the fear it has  
14 created in the market.

15           While this meeting is not about the off-road  
16 rule, those of you in the audience right here that run  
17 heavy equipment are seeing the same thing. Your values  
18 are down drastically. You sell them now for a little or  
19 later for much less.

20           Contrary to what we were told would happen, this  
21 rule, while not yet enacted, has literally destroyed any  
22 equity left in our older trucks and equipment. This chain  
23 of events effects both the contractors and the state. The  
24 contractors suffer by realizing reduced values on their  
25 trucks, the money he would have used to get through tough

1 times that they're all in right now has been greatly  
2 reduced. If you were to use the sale proceeds to purchase  
3 a new vehicle, he has to finance that much more if he even  
4 can. Forget about trading in an older out of compliance  
5 truck. No one wants them.

6           The State is losing out by less tax income  
7 generated by the sales of used vehicles, not to mention  
8 less of revenue from contractors that go out of business  
9 all together. Don't forget about our part suppliers and  
10 other vendors related to these industries that will be  
11 selling less inventory and generating less sales tax  
12 revenue.

13           CHAIRPERSON NICHOLS: Time is up.

14           Susan Jones.

15           MS. JONES: Good morning. My name is Susan  
16 Jones, and I've been a dump truck owner-operator in the  
17 San Francisco Bay Area for the past 22 years. I've driven  
18 trucks all my life, literally since I was in diapers.

19           CHAIRPERSON NICHOLS: I hope not.

20           MS. JONES: I have. I've the Bay Area Chapter  
21 Chairperson for the California Dump Truck Owners  
22 Association. I own two pre-1991 dump trucks that cannot  
23 be repowered or retrofitted. They have lost approximately  
24 75 percent of their value due to this pending regulation  
25 and the depressed economy.

1           One of my trucks is 20 years old, and it has only  
2 gone 310,000 miles. That's an average of 15,500 miles a  
3 year. And that is more than what your proposal allows.

4           I've worked the disastrous hills fire and the  
5 Loma Prieta earthquake.

6           I found out late yesterday from Cascade Sierra  
7 Solutions that I have been awarded a \$50,000 grant towards  
8 a new truck. But I can't except this grant. Financing  
9 the balance of the truck would be completely impossible in  
10 this economic climate. With no work, I would not be able  
11 to pay the higher insurance premiums, the registration  
12 fees, much less try to make the payment on it, which is  
13 going to be well over \$800 a month. I cannot absorb any  
14 more of the cost increases or pass them on to my  
15 customers.

16           An issue that has not been addressed here is the  
17 loss of medical coverage. In order to be able to afford  
18 my medical coverage, we have had to increase our  
19 deductible so high I can no longer afford my prescribed  
20 medications.

21           Due to all of the stress, my husband is now on  
22 high blood pressure medication. You have stated you will  
23 be savings thousands of lives with this regulation. What  
24 about the thousands you will be killing who cannot afford  
25 medical insurance anymore? We are on the verge of losing

1 ours.

2 The bottom line of this regulation is it will put  
3 me out of business. Thank you.

4 CHAIRPERSON NICHOLS: Thank you.

5 Liza Bolanol.

6 MS. BOLANOL: Good morning. Lisa Bolanol,  
7 Central Valley Air Quality Coalition.

8 In October of 2007, hundreds of valley residents  
9 came before this Board on the 8-hour ozone plan and asked  
10 you to accelerate clean air of ozone in the San Joaquin  
11 Valley. And at that time, the Board decided the best move  
12 was to do a 2024 deadline. And we became extreme  
13 non-attainment.

14 But at that time, you also increased your  
15 commitment to accelerate despite that deadline. And part  
16 of the commitment was the diesel truck rule and ensuring  
17 that more emission reductions would come from that. We're  
18 appreciative of that. We look forward to seeing you  
19 fulfill that commitment today.

20 I want to remind the Board that despite a strong  
21 healthy truck rule we're going to pass today, we still  
22 have more to do. Our black box contains well over  
23 50 percent of the emission reductions still needed to get  
24 to that deadline.

25 So with that in mind, I just ask you once again

1 to continue to fulfill that commitment. And we are very  
2 excited to be here today. You'll see a lot of the folks  
3 that were at that ozone hearing back in 2007 here today.  
4 And the ones who weren't able to come did bring their  
5 postcards. So thank you very much.

6 CHAIRPERSON NICHOLS: Thank you.

7 Joe Laney. Not here or passing.

8 Jeremy Jungreis.

9 MR. JUNGREIS: Thank you, ma'am. Good morning,  
10 Madam Chair and members of the Board.

11 My name is Major Jeremy Jungreis as it was  
12 yesterday. And I'm here on behalf of the Marine Corps  
13 Installations in California.

14 It's been a long road. We've been talking about  
15 trucks and retrofitting and biodiesel and issues like that  
16 for three or four years now. We were originally out of  
17 the original public fleet rule and then we weren't and now  
18 we're back then. And the statewide truck and bus rule  
19 which you all promised. So you lived up so that.

20 But we still have a number of issues that are  
21 relatively minor.

22 We want to thank staff very much. They've been  
23 extremely helpful. And they have accommodated the fact we  
24 have some very different requirements in the context of  
25 military applications of tactical vehicles essentially.

1 And staff has been very helpful in that regard. So thank  
2 you for helping us do that.

3           Second, wanted to just mention that we continue  
4 to be a leader in alternative fuels and technology  
5 particularly biodiesel. And I want to remind the Board --  
6 and Mr. Friedman will be talking about this as well -- we  
7 continue to have some problems. Right now there is no NOx  
8 retrofit that we know of. You know, NOx retrofits is an  
9 issue that will be worked out still. But there is no NOx  
10 retrofit approved for use with biodiesel. That's  
11 something we're concerned about if we want to try to use  
12 vehicles after retrofitting.

13           Second, there's no USTs as we understand it  
14 approved for use for B20, underground storage tank. And  
15 we have to keep the B20s somewhere. We have a lot of B20s  
16 we use.

17           And so I know that's a Water Board issues, but  
18 it's certainly something -- especially since B20 is one of  
19 your low-carbon fuel standards potentially, that's  
20 something we have to work out.

21           Third, there is a few minor language tweaks that  
22 are still needed in the regulation. There is some  
23 internal inconsistencies. And I would ask the Board to  
24 request staff to work with us. There are a couple minor  
25 things. I don't think there will be a problem. But

1 definitional changes in Section 2025(c)(5). There are  
2 just a couple of minor things in the SmartWay rule and in  
3 the statewide truck and bus rule if staff will work with  
4 us on that.

5 CHAIRPERSON NICHOLS: Thanks, Major.

6 Randal Friedman.

7 MR. FRIEDMAN: Good morning, Chair and Board  
8 members. Randal Friedman on behalf of the US Navy.

9 I'd like to thank the staff for respecting our  
10 unique mission requirements and equipment in this rule.

11 I do want to just talk a little more at length  
12 about the B20 issue. I've been before you a number of  
13 times over the years. We've been one of the leaders in  
14 B20. We sponsored Senate Bill 975 a few years ago to  
15 protect our ability to use B20.

16 I know the staff has said in the past that  
17 prospectively any verifications of control technology will  
18 be required to be verified with B20. I would just like to  
19 put in the record here and to get the commitment from you  
20 that that in fact will be part of this rule that any  
21 control technologies that are done under this rule will be  
22 required to be verified for B20 as well.

23 I think in your low-carbon rule and the early  
24 numbers we've seen, I think you are recognizing that B20  
25 and biodiesel is one of the most promising alternatives

1 for low carbon fuel and for having substantial greenhouse  
2 gas benefits. I think we're all on the same page. And we  
3 want to make sure that we can continue to meet our federal  
4 requirements which mandate the use of biodiesel consistent  
5 with your programs.

6 Thank you.

7 CHAIRPERSON NICHOLS: Thank you.

8 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

9 WHITE: Just maybe I could -- Madam Chairman.

10 I just wanted to just let the Board know that  
11 while not part of this regulation the use of B20 in our  
12 verification program, we do consider that and the fact  
13 most if not all devices are verified for on-roads  
14 vehicles.

15 CHAIRPERSON NICHOLS: Okay. Maybe you and Mr.  
16 Friedman can get together and discuss this further. Thank  
17 you.

18 MR. LUIZ: Madam Chair and Board members, I'd  
19 like to thank you for listening to me. Many things I want  
20 to say, but I want to make this personal.

21 My name is Tony Luiz. I'm the president and  
22 owner of T&L Trucking. My and my wife started it 25 years  
23 ago.

24 In the last few years, we went from a grows  
25 revenue receipts of 1.3 to almost \$1.4 million. We are

1 down at approximately about five to \$600,000 this year  
2 because of the economic downturn. I've lost a total of  
3 eight subhaulers. They either filed bankruptcy, losing  
4 their homes, no longer have medical care or insurance, and  
5 are applying for medical assistance. The remainder of the  
6 employees that I have are about already to lose their.

7           This rule, I'm opposed to it. It will put me out  
8 of business. My tire suppliers, they've laid off a bunch  
9 of their workers because of the truckers having a hard  
10 time. Fuel suppliers are having a hard time with the  
11 income. So I would strongly suggest that this Board come  
12 up with a different alternative to where it's workable for  
13 us as owners of companies. And for the state economy,  
14 this is going to be detrimental to the state economy,  
15 especially if this continues the way it does.

16           The contractors we worked for big and small have  
17 no projects in the works. I know Board had said that  
18 hopefully, what, 2010, 2013, that's not going to happen.  
19 A lot of these big projects require at least five years  
20 minimum for it to come through the planning process and  
21 engineering and everything. Engineers that we have talked  
22 to, the customers we worked with do not have nothing  
23 coming through to their desk. So small projects, regular  
24 homes and stuff, is about a year out when you start the  
25 process. Thank you.

1 CHAIRPERSON NICHOLS: Thank you.

2 Josh Zickerman. Jose Gonzalez. Bruce Wick.

3 Mr. Wick, let me just say, you are number 44 on  
4 our list of 109 people who signed up to testify. We're  
5 doing really well actually. But we do need to take a  
6 break at some point for the Board members to just take a  
7 quick look downstairs at the trucks that are parked  
8 outside for us. So I think we'll make you the last  
9 witness for the moment and then take a half-hour break.  
10 Make it as close to being on time as possible.

11 Thank you.

12 MR. WICK: Thank you, Madam Chair and Board.

13 Bruce Wick, California Professional Association of  
14 Specialty Contractors. I'm the risk manager. We have 500  
15 specialty contractors and their supplier members. We  
16 operate a lot of portable engine, off-road, and on-road  
17 diesel equipment across the state.

18 We urge you to consider the DTCC proposal.

19 Residential construction is down almost 70  
20 percent in California. Commercial construction about 40.  
21 So we have a lot of equipment not operating. And recovery  
22 is not expected to begin until 2011. So we're being  
23 forced to be way ahead of the curve. If clean air truly  
24 is the issue, construction equipment is just not  
25 operating. And the equipment that is operating is our

1 best, our most efficient, and that's the newest equipment.

2           Construction has had portable engines. It's had  
3 off-road, and now it has on-road. And the timing of this  
4 rule as proposed cuts right into when recovery could  
5 begin. And that's a real difficulty.

6           Contractors are trying to survive and hold on.  
7 What little reserves or credit line they're tapping into  
8 is very hard to say as soon as you can recover, you're  
9 going to take on a lot of debt. Even if you can buy the  
10 equipment, taking on that debt is very difficult.

11           We've had some safety issues from retrofits and  
12 off-road. And while it's better on the on-road equipment,  
13 you can still have engines that a DPF works for but  
14 doesn't apply on particular vehicle. And construction has  
15 a lot of specialty vehicles that make this difficult.

16           So we would just ask you to strongly consider and  
17 respectfully consider the DTCC proposal. It's safe. It  
18 has the consensus and the support of those who have to  
19 implement, pay for, and take on debt that they've never --  
20 at levels they've never even considered in industry  
21 before. It gives it a small but important window to work  
22 through and work the issues out. Thank you.

23           EXECUTIVE OFFICER GOLDSTENE: Madam Chairman,  
24 before we break, I just want to talk about logistics just  
25 for a moment if you don't mind.

1           When we break, if the Board could follow staff  
2 out to the 11th Street, we're going to explain to the  
3 Board at the same time what you're seeing out there on the  
4 street just to be as quick as we can to go through the  
5 display.

6           And also I want to suggest to the people that are  
7 here getting ready to testify, the list of names 45 onward  
8 is displayed out in the lobby. When we come back, if you  
9 can line yourselves up as quickly as possible, that would  
10 be appreciated.

11           CHAIRPERSON NICHOLS: Thank you. We'll do our  
12 best.

13           We will be adjourned until 10:35.

14           (Thereupon a recess was taken.)

15           CHAIRPERSON NICHOLS: So while we were out  
16 looking at vehicles, the list grew from 109 to 160.

17           And I want to try something here. I'm going to  
18 ask everybody a favor, because I really do appreciate the  
19 fact that people came here from long distances. And many  
20 of you worked hard to put your testimony together. Not  
21 everybody was able to submit written testimony. So some  
22 of you are just going to be here to speak. We now have  
23 your names. We have your information, because you've  
24 already signed up.

25           So I'm going to ask with the indulgence of my

1 Board a favor, which is I know people are here because  
2 they want to be counted on this issue. And I want to tell  
3 you, as I said yesterday, that we don't do this by vote.  
4 If we did, it would be easy. We would just say how many  
5 for, how many against. And it would be over with.

6 But at the Air Resources Board, we're actually  
7 trying to craft a rule that will work for the economy and  
8 for the environment and move us forward as we're required  
9 to do under law. At the same time, not to destroy the  
10 situation that's already pretty fragile.

11 So what I'm going to ask you to do is this. And  
12 I need the help of staff. I need the staff people who  
13 were just here a few minutes ago, Cathlene and company.  
14 Okay.

15 So I'm going to ask you if you're a member of a  
16 public health organization or you're a citizen and you're  
17 here because you want to testify that you want us to clean  
18 up the air and to stick with the rule that the staff  
19 proposed. Maybe you want to say you don't like giving  
20 special treatment to agriculture or whatever, you don't  
21 want us to slow down. If that's the gist what of your  
22 testimony is, could you raise your hand and be counted? I  
23 just want -- or stand up. Stand up and raise your hand  
24 and be counted. I've got a lot of people on the list who  
25 I think are in that position.

1           Somebody is going to have to go into the overflow  
2 room and count them as well if you could. Okay.

3           I'd like to get a count of those people.

4           So you've been counted. Have you got that?

5 Cathleen, have you got a number there you feel? We want  
6 to recognize you, and I want to make sure that we've done  
7 this. Okay. Got something to write down?

8           And is there somebody in the other room? Sandy  
9 went to the over room.

10           So now I'd like to ask those of you who are truck  
11 owners or representing the trucking industry and who are  
12 here to express your concerns about the rule and are  
13 opposed to the rule as the staff proposed it, if you would  
14 stand up.

15           There's a lot of you. Okay. This is going to  
16 take a little time to do this count. But I'm going to ask  
17 Cathleen and your help if you could do that. We'll just  
18 take a few minutes. This is going to take a few minutes,  
19 but I'm convinced it could save us some time in the long  
20 run.

21           OMBUDSMAN QUETIN: Done.

22           CHAIRPERSON NICHOLS: Now if you're with a school  
23 district or you're here to talk about buses, can we get  
24 you to stand up? I know there's a few of you as well. Do  
25 we got somebody doing the count on these? Okay.

1           If you're a device manufacturer or you got  
2 equipment that you want to talk about that will help  
3 people meet the rule.

4           And I see there is at least one person here  
5 who's -- or there was earlier with the Pollution Control  
6 Financing Authority to talk about the financing issues.  
7 Is there anybody else who's here to talk about the  
8 financing piece here?

9           CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: There's  
10 two.

11          CHAIRPERSON NICHOLS: Okay. We've got two. Is  
12 there anybody else who doesn't fit into any of the  
13 categories that I just made?

14          Okay. So you know, basically -- can I get the  
15 numbers now that you've got them?

16          OMBUDSMAN QUETIN: For the first group, we had 20  
17 in this room, plus I heard there are 16 kids somewhere  
18 around.

19          And I don't know how many were in the other room,  
20 because I believe Sandy went over to count that.

21          CHAIRPERSON NICHOLS: We'll wait for that.

22          OMBUDSMAN QUETIN: And then on the oppose group,  
23 we had 92, plus another 16 oppose outside.

24          BOARD MEMBER BERG: Plus nine.

25          OMBUDSMAN QUETIN: So we're going with nine in

1 the next room. Was that nine opposed?

2 BOARD MEMBER BERG: That was nine opposed, seven  
3 for, one school bus, two financing.

4 OMBUDSMAN QUETIN: And no equipment manufacturers  
5 were over there?

6 BOARD MEMBER BERG: No.

7 OMBUDSMAN QUETIN: Thank you.

8 CHAIRPERSON NICHOLS: Okay. So this is good.

9 Thank you, Sandy.

10 So now we kind of get a sense of where we are.

11 And I think it's fair to say that, you know, this Board  
12 is -- we're in listening mode. We are here. We've been  
13 paying attention. We're taking notes.

14 But it isn't really adding to our ability to get  
15 into starting to actually ask some questions of the staff  
16 and start to work on this rule. Because I think all of us  
17 do have some questions. And some of us may want to raise  
18 some issues about whether the rule could be adjusted in  
19 some of the ways that some of you could like to see us  
20 adjust it. It would be helpful if we could get to that  
21 while we're all still awake and you're still all here to  
22 hear us, too.

23 So I want to ask you if you would at least  
24 consider either appointing a spokesperson for your row or  
25 not getting up and testifying unless you feel like you

1 absolutely have to. I don't want to waste your day. But  
2 I just want you to know that you don't have to take your  
3 time and ours to just get up to the microphone and say  
4 your name and tell us that you're against it. Because we  
5 already know that. And we've got you on our list and  
6 counted you, counted the total numbers. So I can't really  
7 do anything other than that. I can't tell you not to  
8 testify. It's a public hearing. But I'd like to at least  
9 urge you to think about that

10 BOARD MEMBER BERG: I think it's helpful for them  
11 to know we did hear between 80 and 90 speakers yesterday  
12 as well. So we've heard several of these concerns.

13 And I would also like to echo that having the  
14 time to really review this with staff and giving the Board  
15 time will also be very helpful for us in our  
16 deliberations.

17 CHAIRPERSON NICHOLS: Thank you.

18 If there's some type of truck or some aspect of  
19 the industry that you feel like we haven't heard from, you  
20 know, that's of course -- there's always a need for more  
21 information. But we've heard a lot now about the  
22 owner-operators. We've heard about dump trucks, school  
23 buses. So I think we're pretty close to being ready to  
24 start to actually get into this meat of this thing.

25 We are going to want to hear more about the

1 financing, because we are concerned. I think every one of  
2 us has questions about how the financing is actually going  
3 to work.

4 But other than that, I'm just going to go back to  
5 the list now and see if we can get some -- move this a  
6 little bit faster.

7 Okay. Tessa Woodmansee.

8 If you want to pass, you can just say pass, too.

9 Skip Brown, Enrique Arriola, Betty Plowman, Ester  
10 Aguirre, Cecilia Trinidad, Andy Acott, Carlos Haessler,  
11 David Norris, Socorro Gaeta are all the ones next on my  
12 list.

13 MR. BROWN: Good morning, Madam Chair and Board.

14 My name is Skip Brown, President, Delta  
15 Construction Company. Family business, 65 years in the  
16 state of California. Also a member of the Off-Road  
17 Implementation Action Group for Small Business.

18 And also I wrote a letter to the Governor back on  
19 November 25th, and I provided copies for all you folks. I  
20 hope you had a chance to read it. I don't have time to go  
21 through it all.

22 The affect on my company is 100 percent of my  
23 portable equipment will be illegal to use or sell in the  
24 state of California: 100 percent of my trucks, 90 percent  
25 of my off-highway. Three regulations all at once.

1           This is a destruction of my capital. I have  
2 spent 44 years in this business gaining this equity, and  
3 these regulations have destroyed it all at once. Destroys  
4 a business model of the entrepreneur who saves money and  
5 invests it and provides employment and a tax base for the  
6 economy.

7           The economy won't support additional debt at this  
8 time even if I could borrow the money. But because my  
9 equity base has been destroyed, I can't borrow the money.  
10 So I don't qualify for the government programs that you've  
11 offered, because I'm too big -- but not too big to fail,  
12 but too big -- it's not economically viable for the  
13 government to help me fund this, because I don't use the  
14 stuff enough. But I guess it's supposed to be  
15 economically viable for me to fund it, which it is not.

16           I will meet these requirements as long as I can  
17 keep my company alive through attrition. I haven't taken  
18 a salary in the last six months. The outlook for me  
19 taking a salary throughout 2009 is basically not there.

20           I've trying to keep my people. My people are my  
21 assets, not my equipment.

22           But you can help. You can help. One way you can  
23 help is you can allow some leniency to those of us that  
24 are subjected to more than one rule at a time. I'm  
25 subjected to three. These three will definitely put me

1 out of business.

2           You should also be able to consider that a truck  
3 that gets a 1,001 miles is not same that gets 120,000  
4 miles a year. Contractors' trucks are support equipment.  
5 They go out to the job and park. A parked truck does not  
6 emit. I don't care what year it is. It's not emitting.  
7 My trucks average eight to 10,000 miles a year. I have  
8 six trucks I get 60,000 miles a year.

9           The last thing is --

10           CHAIRPERSON NICHOLS: Thanks. Your through.  
11 Thank you.

12           Enrique Arriola.

13           MR. ARRIOLA: Good morning, Board members.

14           My name is Enrique Arriola.

15           I'm for these rules. This issue is not about  
16 money for jobs. It's about health, life, and death. If  
17 you want to see how California will look without these  
18 rules, take a look at China and Mexico City. California  
19 will look just like them.

20           Auto drivers in California have smog test ever  
21 other year, smog devices, and catalytic converters. And  
22 it helped a lot to clean the air. Now all I'm asking is  
23 that truckers do their job.

24           Thank you.

25           CHAIRPERSON NICHOLS: Thank you.

1 MR. ARRIOLA: And I have more cards here.

2 CHAIRPERSON NICHOLS: Okay. We'll take them.

3 Ms. Plowman.

4 MS. PLOWMAN: Thank you, Chairman Nichols.

5 It's been almost three years ago since I attended  
6 my first CARB meeting. Since then, I joined with your  
7 staff, Eric, Tony, Gloria. We traveled hundreds of miles  
8 together bringing forth this message to our members in  
9 April of 2006. I felt this was a very doable rule. We  
10 could clean up. We could help our people receive funding  
11 help and certainly achieve these goals.

12 However, since that day, California has changed  
13 dramatically. Our unemployment figures are staggering.  
14 There's one group you don't have on that, and that happens  
15 to be these owner-operators that are no one's employees.  
16 We are a devastated industry, and I do not mean to make  
17 light of that.

18 I also want to make one correction, because I  
19 just was standing up here with the blues. The PM filter  
20 cost that you have been given ten to \$11,000 are not  
21 correct for many, many applications of short-haul trucks  
22 who do not generate the heat. We are, in fact, looking at  
23 retrofit PM filters more in the neighborhood of \$25,000.  
24 That is what has made it difficult for us. We are low  
25 mileage vehicles that don't quality, although we're

1 working on that.

2 I would like to give special thanks to your  
3 financial departments, John Cano and his staff who have  
4 worked with us to try to put together loan programs.  
5 Unfortunately for our industry right now, it's a little  
6 too little, too late. Some of the incentive funding that  
7 has been given out by CCAT, which is a great, great air  
8 district in the state, some of these people that receive  
9 funding have had those trucks now prepossessed. They've  
10 had to return them to the dealerships. Some with even 70  
11 percent incentive funding. That is how bad the industry  
12 is today. Thank you.

13 CHAIRPERSON NICHOLS: Thank you.

14 Ester Aguirre, Cecilia Trinidad, Andy Acott.

15 MS. WOODMANSEE: Yes, thank you.

16 I'm here because my family and I moved next to  
17 bus depot in San Jose. And we found out that there was an  
18 anti-idling law. And it was very difficult to enforce  
19 that law.

20 And so when we hear the trucking company say, you  
21 know, we've done what we can. We've been following the  
22 idling rule. That isn't true. The idling rule has not  
23 been working in our communities.

24 So we had to call the police. They didn't know  
25 about the rule. Here we are the third largest city in San

1 Jose didn't know about the rule.

2           And so we contact the police. The police gave  
3 our phone number to the corporation. We've got harassed.  
4 We got a phone call saying, "You better shut up about our  
5 pollution or we'll harass you with noise." And that's  
6 what happened. For two years we were harassed with  
7 blasting of that their horns 24/7 from every personal  
8 vehicle and every bus as they went out 24/7.

9           And this is what's happening that -- the  
10 enforcement of the idling rule, the police didn't know.

11           Now we call the police about the smoking vehicle.  
12 The police don't come. Even though the police are  
13 supposed to be the enforcement arm. BAAQMD is supposed  
14 to -- Bay Air Quality Management District is supposed to  
15 help us with idling. They don't deal with it.

16           So these are the load that has been on our  
17 family's back to try to enforce the rules. And dealing  
18 with diesel idling in our neighborhoods and having no  
19 support from the BAAQMD, from the police, and even from  
20 CARB. You know, they know they're idling as they're  
21 cleaning their buses. And yet nothing has changed.

22           So this is why we need a rule that isn't  
23 self-regulatory or expecting even the agencies to enforce  
24 it. Because it's not happening in our communities.

25           But so we need these rules that change the type

1 of engines and protect our health. And this is very  
2 important for our neighbors in our community. And my  
3 husband who has a chronic cough and myself suffering with  
4 signs of multiple sclerosis that they say are attributed  
5 to the diesel emissions. And neighbors with cancer in our  
6 communities, many neighbors. San Jose being an area of  
7 high impact. We need more strong rules. Thank you.

8 CHAIRPERSON NICHOLS: Carlos Haessler.

9 MS. WOODMANSEE: My name is Tessa Woodmansee.

10 CHAIRPERSON NICHOLS: We got your name. Thank  
11 you. It's okay. Thank you.

12 MR. ACOTT: Andy Acott. I represent Laden  
13 Composites. We are a manufacturer of truck and trailers  
14 Aerodynamics. Have been for nearly 30 years.

15 Probably haven't heard much of our company, but  
16 you see our products every single day on the roads. Since  
17 1994, we developed the first ever molded plastic trailer  
18 skirts. And that ran on a two trailers for over ten years  
19 and probably had over a million miles on both the  
20 trailers.

21 Today, we make an injection-molded plastic skirt.  
22 And with it being tested, SA Type II, type III wind tunnel  
23 testing, tract testing, fleet testing, we have shown in  
24 excess of six percent in fuel savings.

25 Regardless of all of this technology and all of

1 these statements, the real truth is in the fleet use. And  
2 I can tell you that the fleets that use our product today  
3 are very happy with it. The drivers rant and rave about  
4 the benefits, including the ability, the improved  
5 stability, the lowest splash and spray, the safety factor  
6 of that. But more so than anything, the fleets are saving  
7 money. This is a fuel saving, cost saving, emission  
8 lowering device.

9 Thank you very much.

10 CHAIRPERSON NICHOLS: Thank you.

11 Carlos Haessler.

12 David Norris.

13 MR. NORRIS: Good morning, Madam Chair, Board and  
14 staff. My name is David Norris. I'm the Director of  
15 Transportation at Lakeport Unified School District. And  
16 I'm representing specifically children in our district  
17 that rely on the yellow school bus to get to school.

18 We transported over 650 students daily. Most  
19 live beyond two miles from the school. Many from Indian  
20 reservations and low income areas where there's no  
21 adequate personal transportation. Sixty-five percent of  
22 our students are from low income families.

23 I have been in the industry for 27 years. And  
24 when I started, we were able to transport most of our  
25 students. We've now been forced -- due to budget, we've

1 been forced to increase walking distances up to two miles.

2           With midyear cuts, schools will be unable to come  
3 up with the match funds for bus replacement. The only way  
4 we can comply with this regulation is if the buses are  
5 fully funded.

6           Districts that do not get -- our district is in  
7 Lake County. And we are a full attainment air quality  
8 district, so we cannot access the AB 928 money.

9 Therefore, the districts would be responsible for the  
10 \$25,000 match, which I've already spoke to many of the  
11 districts -- three of our districts in our county that  
12 already got okayed for the grants. And they are not going  
13 to be able to come up with the \$25,000. So the bus is  
14 just -- that money will be sent back and those buses won't  
15 be rolling.

16           So today I recommend that when you're looking at  
17 school bus retrofits and bus replacement that we go fully  
18 toward replacing with new school buses. Because many of  
19 the school buses they'd be putting retrofit devices on are  
20 either half to three-quarters of their life expectancy  
21 already gone through that.

22           CHAIRPERSON NICHOLS: Thank you.

23           MR. NORRIS: Please fully fund the school busses  
24 so we can keep kids coming to school. Thank you.

25           CHAIRPERSON NICHOLS: Socorro Gaeta, Brian Cohen,

1 Michael Rae.

2 MR. REA: Hello. I'm Michael Rae, and I'm with  
3 the West County Transportation Agency. We're a joint  
4 powers agreement of 16 school districts in Sonoma County.  
5 I'm also representing CASTO, California Association of  
6 School Transportation Officials. I'm their Governmental  
7 Relations Chair.

8 We fully support the health and safety of  
9 students that we transport and students all through  
10 California. But we oppose the rule primarily because  
11 there isn't funding existing.

12 In California, school transportation operations  
13 were fully funded over 30 years ago. Twenty-five years  
14 ago, the State capped what we received for school  
15 transportation, and we only sporadically receive capital  
16 funding.

17 In California, because of that funding problem,  
18 where over 55 percent of our funds are coming from school  
19 district general funds and there's this incredible  
20 pressure on school districts to utilize their funds for  
21 testing and accountability standards, districts are making  
22 the tough decision as to whether or not the buses are  
23 going to roll or kids are going to come to classrooms.  
24 And in all cases, districts are reducing school  
25 transportation or eliminating that service.

1           As a policy-making body, you and we should be  
2 working together to figure out ways at the highest levels  
3 of government to train our students, our next generation  
4 to ride school buses and mass transit rather than turning  
5 them away and showing them the only option is individuals  
6 and single cars.

7           We would ask you and urge you to look at your  
8 staff recommendation to monitor the progress of school  
9 transportation with these potential new rules. And rather  
10 than that, adopt rules only when subsequent phases of the  
11 Lower Emission School Bus Program funding are available  
12 for us.

13           Thank you very much.

14           CHAIRPERSON NICHOLS: Thank you.

15           Don Anair.

16           MR. ANAIR: Good morning. My name is Don Anair.  
17 I'm a Senior Vehicles Analyst with the Union of Concerned  
18 Scientists.

19           I'd just like to start off by stating our strong  
20 support for both of the regulations. Also want to present  
21 two additional items in addition to my comments.

22           First is a letter from leading California  
23 authorities and public health and research expressing  
24 support for strong measures. These include the dean of  
25 the School of Public of Health at UCLA. Also the

1 California Conference of Local Health Officers. In  
2 addition, we have a petition from 5700 California  
3 residents supporting the reg.

4 I want to offer some specific comments on the  
5 greenhouse gas portion of the regulation you are  
6 considering today.

7 The proposal is a great start. It gets  
8 reductions from our existing fleet of tractors and  
9 trailers. It will create clean tech jobs. And it will  
10 also save truckers money at the fuel pump. We urge you to  
11 adopt this regulation today.

12 But a more aggressive standard is possible with  
13 the technology that's on the market today, and as we've  
14 seen outside actually.

15 And we identified in recent analysis that making  
16 full use of these products could improve the emission  
17 reductions by 50 percent. According to staff estimates,  
18 50 percent increases in the regulation would result in 3.5  
19 million metric tons of greenhouse gas emission reductions  
20 in 2020. So a significant improvement.

21 All of these are cost effective. They can be  
22 achieved with today's technology. We estimated over  
23 \$30,000 net cost savings with these technologies with  
24 payback periods as short as two years.

25 So bottom line, I have two recommendations. One

1 to -- well, three.

2           Adopt the regulation today. We believe that you  
3 could expand the tire requirements to additional tractor  
4 and trailer types.

5           And finally, we would ask that the Board resolve  
6 to come back to this issue in one year's time to get  
7 additional reductions. And specifically to look at  
8 tractor-trailer combinations that have not been included  
9 in today's proposal and also for new trucks and trailers  
10 not effected by the regulation today.

11           CHAIRPERSON NICHOLS: Thank you. Thanks for your  
12 suggestions.

13           Anna Sanchez.

14           MS. SANCHEZ: Anna Sanchez with the Merced  
15 Mariposa County Asthma Coalition.

16           I'm here as a single mom. This is Juliana.  
17 Before she was one, she had RSV. She was intubated in an  
18 air bubble chamber.

19           At two, severe eczema, the doctor correlated that  
20 with pollution. She's on a regular asthma medication to  
21 do breathing treatments, so on, so forth. I have  
22 medicines, hospital visits. I have sleepless nights.

23           Her father has chosen to return back to the Navy.  
24 Stay in to help with the expenses. It's not easy. The  
25 health care system isn't all that great.

1 I understand that truckers may lose jobs. Some  
2 of them may go out of business. But nobody can replace  
3 Juliana. Whatever financial propositions you're giving  
4 them and if this doesn't go through, help asthmatic  
5 parents who deal with asthma all the time. Kids are  
6 losing their life all the time.

7 And I'm just wondering -- I'm doing my job as a  
8 mom. You guys as the Air Resources Board to do your job  
9 to clear up the air. My whole family suffers from asthma,  
10 I do, my siblings. And we just ask for you to pass a  
11 strong diesel truck rule.

12 CHAIRPERSON NICHOLS: Thank you very much.

13 Mary-Michael Rawling.

14 MS. RAWLING: Good morning, Madam Chair.

15 Pleasure to be here today.

16 Mary-Michael Rawling from the Merced Mariposa  
17 County Asthma Coalition here to support a strong diesel  
18 truck rule today that gives all Californians clean air to  
19 breathe.

20 This is an exciting day, because before you is  
21 the lynch pin that our SIPS are based on. And like Mr.  
22 Goldstene said yesterday, there is no Plan B for this  
23 rule.

24 A year ago, we were engulfed in our valley ozone  
25 plan. And although we left the table dissatisfied, we are

1 still hopeful that your Board is still committed to 2017  
2 and a shrinking block box, because we are still committed  
3 to helping you. Because without your leadership, 22  
4 percent of children in the San Joaquin Valley along with  
5 tens of thousands of adults with asthma -- a chronic  
6 disease that once you get it, you don't grow out of --  
7 will continue to suffer.

8           And although I support this rule today, I'm  
9 concerned about the special provisions proposed and delays  
10 in compliance for agricultural vehicles, especially the  
11 inclusion of pesticides, fertilizers, and logging trucks  
12 on this list. These vehicles are older and release more  
13 emissions than your vehicles. People exposed to these  
14 trucks, mostly people from the San Joaquin Valley, should  
15 have the same benefit from this rule as Californians in  
16 other regions.

17           Allowing some of this fleet until 2023 to come  
18 into compliance is six years past the date we have all  
19 come to hope for.

20           And finally, it's been my pleasure to collect  
21 these from Merced County community residents over the past  
22 several months. I'll leave them here for you today. But  
23 I want to leave you with the assurance you do have a lot  
24 of support in the community for this rule.

25           Thank you very much.

1           CHAIRPERSON NICHOLS: Thank you. Cameron King.

2           MR. KING: Good morning, Madam Chair, members of  
3 the Board. Cameron King with the California Association  
4 of Winegrape Growers.

5           I want to join, in the interest of brevity today,  
6 my colleagues in agriculture in thanking your staff as  
7 well as Board members for the countless hours to work on  
8 quantifying and deliberating over an agricultural  
9 provision section that is flexible and efficient and  
10 feasible in meeting SIP requirements and commitments that  
11 have been made by yourselves and also to provide an  
12 opportunity for small family farmers in the state of  
13 California the opportunity to do their part to clean air  
14 and also maintain employees and businesses for folks.

15           So in the interest of brevity, I want to say  
16 thank you again for the opportunity. I know there are  
17 some concerns about the provisions. But I think that we  
18 are stepping up to the plate as agriculture to do our part  
19 to help clean the air of California. And we want to thank  
20 you again.

21           CHAIRPERSON NICHOLS: Thank you.

22           Susan King.

23           MS. KING: Good morning, Chairman Nichols and  
24 members of the Board.

25           CHAIRPERSON NICHOLS: You need to speak into the

1 microphone.

2 MS. KING: I'm Susan King, and I've been an  
3 active registered nurse for 37 years. I presently work at  
4 Methodist Hospital in the recovery room. I'm a member of  
5 the California Nurses Association. On behalf of the  
6 85,000 members of CNA, I'm here to speak to you regarding  
7 the proposed California clean truck rule.

8 These professional nurses are in the front lines  
9 of the battle against such diseases as asthma, bronchitis,  
10 and of course lung cancer. Diesel pollution is a  
11 significant health hazard to everyone, especially to  
12 children whose lungs are still developing, to the elderly,  
13 and those with preexisting health conditions.

14 For the past 20 years, my family and I have lived  
15 and worked in Sacramento. Unfortunately, our city is  
16 rated one of the worst cities in the United States for air  
17 pollution.

18 My oldest son had asthma growing up here in  
19 Sacramento, needed medication, and even had to be taken to  
20 the emergency room during one attack.

21 Today, my five-year-old granddaughter also has  
22 asthma. Because of air pollution that we all breathe  
23 every day, she has visited our emergency room so many  
24 times that I have lost track of the number. At one point  
25 last year, the emergency room doctor feared he would even

1 have to intubate her. Thank God that action was averted.

2 I'm just one of the millions of parents and  
3 grandparents who must keep a vigil in order to keep my  
4 loved ones safe. Passing this regulation will reduce the  
5 number of emergency room visits and hospitalizations that  
6 are clogging our already strained health care system.  
7 Delay in passing this regulation will cause more illness,  
8 more deaths, and will add more subsequent cost to the  
9 health care system of this state.

10 California nurses are proud to join the American  
11 Lung Association in urging you to adopt these regulations  
12 now.

13 Thank you very much.

14 CHAIRPERSON NICHOLS: Thank you.

15 Mike Paparian.

16 MR. PAPARIAN: Thank you, Madam Chair, members.

17 I'm Mike Paparian, Executive Director of the California  
18 Pollution Control Financing Authority.

19 We've been providing low-cost innovative  
20 financing to California businesses since 1972. We're  
21 chaired by the State Treasurer.

22 Among our programs, we have the California  
23 Capital Access Program for small businesses, or CalCAP.  
24 We worked very closely with your staff to design a  
25 financial assistance to help truck owners meet the new

1 regulations.

2           Our participating banks indicate this program  
3 will work. It will provide financing to those who need it  
4 and might otherwise have trouble getting financing. And  
5 it will do so at costs below what they would otherwise  
6 pay.

7           Through this program, \$350 million or more in  
8 loans will be available to small fleets. The loans will  
9 be for new trucks, used trucks, SmartWay products, and  
10 exhaust retrofits.

11           Our ARB Truck Loan Program will work through our  
12 57 participating financial institutions to provide loans  
13 up to one-and-a-half million dollars to businesses with  
14 fewer than 100 employees and ten million dollars in annual  
15 revenues.

16           The loans will be made to truck owners the banks  
17 believe will be able to pay the loans back but who fall  
18 under the bank's normal loan underwriting criteria.

19           Our banks are indicating strong support for this  
20 program. And to quote one of their letters to you, "Our  
21 bank will extend credit to borrowers who might not  
22 otherwise have access to financing unreasonable terms,  
23 thereby helping the bank, the borrowers, the economy, and  
24 the environment."

25           Other banks indicate they will be able to do this

1 at rates that are lower interest rates and with fewer no  
2 fees than they might otherwise charge.

3 We'll be rolling out this program in a few  
4 months. And I'm very excited about working with your  
5 staff to implement this program using our financial  
6 expertise to help assure that the State's clean air goals  
7 are met.

8 CHAIRPERSON NICHOLS: Thank you very much.

9 Any questions?

10 BOARD MEMBER RIORDAN: Madam Chairman, just a  
11 quick question. This is a new program for you; correct?

12 MR. PAPARIAN: We have our existing CalCAP  
13 Program this will be part of.

14 BOARD MEMBER RIORDAN: And CalCAP is --

15 MR. PAPARIAN: California Capital Access Program.

16 We've lent out since the early 1990s about \$1.2  
17 billion to California small businesses.

18 BOARD MEMBER RIORDAN: So you have a pretty good  
19 idea of how fast you can get this money out to those who  
20 truly need it. And do they access it through their local  
21 bank, is that --

22 MR. PAPARIAN: They access it through our  
23 participating financial institutions. We have 57 banks  
24 participating in the program right now. And we do expect  
25 that to grow.

1 BOARD MEMBER RIORDAN: Okay. Thank you very  
2 much.

3 CHAIRPERSON NICHOLS: Thanks a lot. Looking  
4 forward to working with you.

5 Yes, Cathleen.

6 OMBUDSMAN QUETIN: I'd like to introduce Sarah  
7 Sharp with the Fresno Metro Ministry. And she has  
8 gathered together a large group of people who were going  
9 to speak individually but now will speak with only two  
10 voices and with -- well, I should say three because  
11 they're using an interpreter.

12 CHAIRPERSON NICHOLS: Thank you.

13 MS. SHARP: Good morning, Chairman.

14 Out of respect for your time and the request you  
15 made, we wanted to combine our testimonies. So we will  
16 have just two spokespeople speaking on behalf of Fresno  
17 Metro Ministry and LUCA, Latinos United for Clean Air.  
18 They will be Jenny Saklar and Mario Talavera.

19 MS. SAKLAR: Good morning.

20 On April 30th, the San Joaquin Valley Air  
21 Pollution Control District adopted a PM2.5 plan that  
22 relies heavily on the successful implementation and  
23 enforcement of the diesel truck rule before you today.

24 At the time, ARB reported that for our region  
25 approximately 1,300 annual premature deaths are linked to

1 PM2.5 exposure.

2           To offer hope and to express my concerns about  
3 our air basin continually failing to meet federal air  
4 quality standards, I created these prayer flags. Each  
5 flag represents ten San Joaquin Valley premature deaths  
6 linked to PM exposure.

7           Today, we're talking diesel pollution. Today,  
8 I'm still praying. Conservative estimates link 250 San  
9 Joaquin Valley premature deaths to diesel pollution  
10 exposure. Imagine a stand of flags two times this length.

11           The diesel truck rule before you is essential to  
12 cleaning up California's air and the air within our  
13 region. I ask that you adopt a rule that will obtain the  
14 emissions reductions needed to provide a margin of safety  
15 in my region for meeting federal SIP requirements.

16           I also ask that you reject the agricultural  
17 vehicle provisions as proposed in the regulation. We need  
18 a rule that provides much greater health protections from  
19 ag related diesel sources. This can be done by reducing  
20 the mileage threshold, limiting the fleet size to three  
21 vehicles or fewer, requiring PM filters, and not defining  
22 farm chemical trucks as agricultural trucks.

23           We cannot afford to delay clean air. We must  
24 take action. Our health cannot wait. Relief from the \$6  
25 billion a year related health care costs cannot wait. And

1 valley SIP goals and commitments cannot wait.

2 Thank you for moving forward with this critical  
3 regulation. It will clean our air, reduce public health  
4 costs dramatically, improve the lives of so many, and  
5 protect our climate.

6 Please reduce the 250 San Joaquin Valley annual  
7 premature diesel deaths and the thousands across  
8 California.

9 Thank you.

10 CHAIRPERSON NICHOLS: Thank you. I did give you  
11 a couple extra seconds there because you're a group.

12 MR. TALAVERA: (Through interpreter) Good  
13 morning, Chair and table. My name is Mario Talavera.

14 CHAIRPERSON NICHOLS: It's okay. We can  
15 understand enough Spanish to get the name of the person  
16 and the organization.

17 MR. TALAVERA: (Through interpreter) I'm here  
18 because I'm the father of four children. And four of them  
19 had asthma. And they have been impacted by the emissions.

20 My second child which is 17 now is in coma since  
21 he was 12 for a brain stroke. We're in the process of  
22 finding out if it was for the emissions. And I have him  
23 back at home.

24 So that's why I've asked for a fast decision  
25 without looking at the economical impact. Because in my

1 case, I'm not interested in the economical part, but  
2 health.

3 Let's make a balance. Let's compromise. We  
4 don't want you to take the trucks out of the freeways.  
5 But please enforce the rules. So they're moving around  
6 freely. So please don't put this information in your  
7 desks or in the back burner. Just move on on this,  
8 please.

9 CHAIRPERSON NICHOLS: Thank you very much.

10 MS. SHARP: We also have some more cards to turn  
11 in, a lot.

12 CHAIRPERSON NICHOLS: Very good. Thank you.

13 I believe next on my list is Dan Sartell.

14 MR. SARTELL: Thank you for your time. My name  
15 is Dan Sartell. I'm the Operations Manager for Button  
16 Transportation based in Dixon, California.

17 My experience comes to you as one of the largest  
18 beneficiaries of the Clean Air Incentive Programs that we  
19 have in Sacramento. I'm going to state that we're  
20 probably one of the cleanest trucking companies in  
21 California based on the fact I can haul 58,000 pounds with  
22 2009 model year trucks.

23 We've done our part. I'm a little emotional,  
24 because I won all the money for the early grant money in  
25 Sacramento. Turned in my paperwork. The staff denied our

1 trucks, because somebody they didn't do the paperwork  
2 right. Looked at the DMV records and believes a big-rig  
3 truck has a gross vehicle weight rating of 33,000 pounds,  
4 when 90 percent of all the agricultural trucks in the  
5 state operate under the gross combination weight rating of  
6 80,000 pounds.

7           So my 1995 trucks that I was granted money by you  
8 folks, did all the paperwork that you wanted me to do,  
9 were denied because some person did not do their homework.

10           So we've done our part. We're \$1.6 million my  
11 company is putting up to help this problem. All this  
12 effort and yet, with all due sympathy to those with the  
13 health problems, you know, I'm personally offended that  
14 they're blaming us for this when there's lots of people  
15 out here trying.

16           And I apologize for talking like this. But I had  
17 notes. And I've sat here. I thought I could help you.

18           And to help you, my last comment is Dr. Telles  
19 asked yesterday for staff to say how many companies will  
20 go out have business. So far my count is eleven as of  
21 today. Thanks.

22           CHAIRPERSON NICHOLS: Thank you, sir. I hope we  
23 can get some follow-up information about this particular  
24 situation from the staff. If somebody can talk to this  
25 gentleman and see what the situation is on the grants, I

1 would appreciate it very much. Thank you.

2 Keith Pruett. Mr. Pruett.

3 Okay. Who is this?

4 MR. COHEN: My name is Brian Cohen. I stand in  
5 favor of both dirty diesel rules.

6 CHAIRPERSON NICHOLS: You weren't here when I  
7 called your name.

8 MR. COHEN: I'm sorry. I just very recently  
9 arrived in Sacramento.

10 CHAIRPERSON NICHOLS: All right. Cathleen, we  
11 had a rule that when people didn't show up when their name  
12 was called, that was it. The's the only way we're going  
13 to get through this. So thank you. Go ahead.

14 MR. COHEN: Appreciate it. Thank you for your  
15 indulgence.

16 Simply stated, our economy can no longer  
17 withstand the tremendous drain of dirty diesels. If any  
18 member of CARB is thinking about voting against these  
19 rules, I and I'm sure many citizen would like answers from  
20 that member to the following questions:

21 Without these rules, how does CARB proposes to  
22 compensate the employers and families of 4500 people who  
23 die every year because there are no dirty diesel rules?

24 Without these rules, what's CARB's plan to  
25 compensate employers for the 450,000 days of lost work

1 because there are no dirty diesel rules?

2           Without these rules, how does CARB propose to pay  
3 the \$28 billion lost each and every year just in the South  
4 Coast and San Joaquin Valley regions alone due to air  
5 pollution?

6           Like so many, work obligations prevented my wife  
7 from attending today to express her strong support for  
8 these rules. My wife has asthma. Without these rules,  
9 how does CARB propose to compensate my wife for her life  
10 insurance ratings, monthly prescription costs, and annual  
11 medical bills and co-pays?

12           Without these rules, how does CARB intend to pay  
13 for the 71,000 cases of asthma and other respiratory  
14 symptoms because there are no dirty diesel rules?

15           Without these rules, how would CARB propose to  
16 pay for the emergency room visits, non-fatal heart  
17 attacks, and hospital emissions caused because there are  
18 no dirty diesel rules?

19           In today's economy with lost jobs, people often  
20 lose their health insurance as well. How would ARB  
21 propose to pay for the health problems caused by dirty  
22 diesels when one has no job, no health insurance, and  
23 there are no dirty diesel rules to protect them.

24           These rule are late in the making. These rules  
25 take too long to implement. By continuing the human costs

1 and the tremendous financial drain on our economy, on the  
2 people of the state of California is just not acceptable.

3 I urge quick passage, fast and full  
4 implementation of these rules. And even though I live in  
5 the central valley -- no. Because I live in central  
6 valley, I urge no exceptions for agricultural vehicles.

7 Thank you again, Madam Chair.

8 CHAIRPERSON NICHOLS: Thank you.

9 Keith Pruett.

10 MS. PRUETT: Actually, I'm going to consolidate  
11 for my husband Keith and speak for both of us.

12 My name is Carol Pruett. I'm from Vacaville. My  
13 husband is awe one truck owner-operator construction. We  
14 sold the truck that was my income when work dropped off in  
15 August of 2007. We thought we would catch up in 2008, but  
16 work did not start until July and then came to a  
17 screeching halt November 1st.

18 It was very hard to save anything for winter  
19 after paying five dollars a gallon for fuel.

20 My husband upgraded to a 2004 truck only to find  
21 out we will have to spend upward of \$20,000 to retrofit.

22 I can't save for winter in this economy. How  
23 will we pay for this by 2012?

24 Yesterday, the Governor said we are headed for  
25 economic Armageddon. Don't get me wrong. I'm all for

1 clean air. I'm a five-year volunteer with the American  
2 Cancer Society for life. According to the American Cancer  
3 Society and NCI, lung cancer is on the decline in  
4 California according to a report November 25th, 2008. The  
5 report shows significant differences in lung cancer death  
6 rates in different parts of the United States. In  
7 California, for instance, the lung cancer rate dropped by  
8 2.8 percent per year among men between 1996 and 2005.

9           They can see that in the areas of the country  
10 where smoking and tobacco use are entrenched in daily  
11 life, men and women continue to pay a price with higher  
12 incidences of death rates for many types of cancer. This  
13 type of geographic variation in smoking related cancer is  
14 due to smoking behaviors, not regional environmental  
15 factors. Don't get me wrong. I'm not a doctor or  
16 scientist.

17           The point I'm trying to make everyone, is always  
18 blaming the trucks or truckers. How many of the 31,000  
19 teamsters in the surveys were smokers or former smokers?

20           Education and preventative screening about  
21 smoking is working. But according to the ACS, if we lose  
22 our jobs and we lose our health care, these cancers will  
23 be on the rise again. Please don't put us out of work.  
24 And if you must pass this rule, please give us more time  
25 to recover from this horrible economy. Thank you.

1 CHAIRPERSON NICHOLS: Thank you.

2 Betsy Reifsnider.

3 MS. REIFSNIDER: Good morning. Thank you, Madam  
4 Chair and members of the Board.

5 My name is Betsy Reifsnider. I'm the  
6 Environmental Justice Coordinator with the Stockton  
7 Diocese. And we serve the people of San Joaquin,  
8 Stanislaus, Tuolumne, Calaveras, Alpine, and Mono County.

9 We are part of the coalition of environmental  
10 justice and public health groups who are urging you to  
11 pass the regulations today without delay. And I also will  
12 be submitting a number of postcards.

13 In the interest of time, I'll reduce my comments  
14 to just two points, which I don't think have been made  
15 yet.

16 Number one, pollution from particular matter  
17 jeopardizes the local economies in San Joaquin and  
18 Stanislaus County specifically. Dr. Jane Hall's study  
19 found if federal PM and ozone standards were met, San  
20 Joaquin county would save \$671 million. Stanislaus County  
21 would save \$686 million.

22 The central valley already has some of the  
23 highest poverty rates in California. In San Joaquin and  
24 Stanislaus County, the poverty rate stands at 15 percent.  
25 And the child poverty rate is at 20 percent according to

1 the California budget project. Twenty percent of our  
2 non-elderly residents do not have health insurance. And  
3 one in six of them have asthma. So our people cannot  
4 afford to subsidize these high levels of air pollution any  
5 longer.

6           And my final point is that central valley  
7 agriculture will suffer if greenhouse gas emissions,  
8 including from heavy-duty vehicles, are not strictly  
9 regulated.

10           According to the Union of Concerned Scientists,  
11 high value fruit crops such as almonds, cherries, and  
12 apricots may no longer be able to be produced in  
13 California. Global warming is expected to impair  
14 winegrape growing throughout the central valley by mid  
15 century. And I mention this because thousands of the  
16 people when attend the parishes and the Stockton Diocese  
17 rely on these farm jobs.

18           CHAIRPERSON NICHOLS: Time. We do have your  
19 written testimony. Thank you, Ms. Reifsnider.

20           Irvin Dawid.

21           MR. DAWID: Good morning, Chairperson Nichols and  
22 Board members. My name is Irvin Dawid. I reside in Palo  
23 Alto.

24           Here is a handful of cards from Californians who  
25 feel as strongly as I do about the urgency of cleaning up

1 trucks and buses responsible for diesel toxic emissions  
2 severely impacting the health of all of us, especially  
3 those living along busy roads and highways as I do. The  
4 sooner these emissions are lessened if not eliminated, the  
5 sooner all of us will enjoy better health.

6           However, I have listened to the concerns of those  
7 who are opposed to this essential regulation because of  
8 the costs it will impose on them potentially even costing  
9 them their livelihood. How can anyone not be sympathetic?

10           I think the proper response to those legitimate  
11 concerns is not delay or weaken the regulation, but rather  
12 to increase the funding available to comply with the  
13 regulation and to collect the funding in an appropriate  
14 manner. Rather than yet another bond or increasing  
15 registration fees, what better source than a very modest  
16 diesel fee with all revenues deposited into a new account  
17 called the on-road diesel account for the sole purpose of  
18 assisting compliance with this regulation.

19           While it may not be in your purview to impose  
20 such a diesel fee in conjunction with the diesel  
21 regulation, your recommendation with support from both the  
22 environmental and trucking community will go a long ways.

23 Thank you.

24           CHAIRPERSON NICHOLS: Thank you, Mr. Dawid.

25           Steve Shamp.

1           MR. SHAMP: Good morning. I'm Steve Shamp of  
2 Customer Truck Service in Eureka.

3           I just want to state, you know, most people in  
4 here -- everybody in here does basically want clean air.  
5 The problem that I have in this scenario is it's not a one  
6 case scenario fits all.

7           We're 250 miles from the closest area that you  
8 get to that has Sacramento and San Francisco. So my  
9 customers being faced with this issue when the air is not  
10 the same quality is a pretty good hardship on them.

11          I have personally tried to apply for Carl Moyer  
12 twice and been refused just because of where we are. We  
13 are too far away. We don't qualify.

14          So in listening, talking about funding, one of my  
15 concerns about the funding issue is you want to be careful  
16 not to create a competitive disadvantage in this scenario.  
17 The proposal is to give people that wouldn't normally  
18 qualify and give them the advantage. And yet my company  
19 pays medical and health and retirement and everything else  
20 that we can give to our employees, which are our biggest  
21 asset. And I hate to see something come in to undercut us  
22 and we have to take that away from these people. And I  
23 don't think that's correct.

24          I think the DTCC is a better uniform program for  
25 this environment. And I would also think that that might

1 help with some of these people in the construction  
2 industry where they can use this equipment, the 2004,  
3 2005, 2006. You know, when these people bought this  
4 equipment, it was in compliance. We didn't do anything  
5 wrong. The rules are changing. We're trying to figure  
6 out how we can comply with what you want and still  
7 survive. Thank you.

8 CHAIRPERSON NICHOLS: Thank you.

9 Juvenal Bermudez, Irma Medellin, Wafaa Aborashed,  
10 Justin Oldfield, Bill Allen, Sofia Sarabia.

11 Ms. SARABIA: Hello. My name is Sophia Sarabia,  
12 and I'm here on behalf of the Center on Race, Poverty and  
13 the Environment.

14 And I and my organization supports a strong truck  
15 rule without an ag provision, exemption, whatever you want  
16 to call it. The point is there is no rationale basis for  
17 this provision. No other industry has this exemption, and  
18 ag trucks are no different than any other trucks that are  
19 being required to follow this rule.

20 This just goes along with the history that ag has  
21 had in getting out of rules and regulations for clean air.  
22 Just yesterday, AB 32, the Scoping Plan was passed by this  
23 Board with no ag provisions in it. You may remember the  
24 forklift rule which ag got an exemption from.

25 These exemptions or provisions disregard the SB

1 700 series which is based on a recognition that ag should  
2 not be exempted from these rules for clean air. It is  
3 time for agriculture to take its part in cleaning up the  
4 air.

5           And lastly, some of the names that you called  
6 were people that were supposed to come from the valley who  
7 could not make it because of the fog. And on their  
8 behalf, I would say that this ag provision impacts those  
9 communities, those rural, poor, minority communities more  
10 than any other community.

11           And staff's looking at the impacts of these  
12 communities and the ag provision on these communities  
13 after the provision has already passed is not good enough.  
14 It needs to be done beforehand. It needs to be done  
15 before any sort of rule would be passed with this  
16 provision, because these communities are impacted. And  
17 it's on their health and on their backs that ag keeps  
18 getting these provisions. So thank you.

19           I also have cards.

20           CHAIRPERSON NICHOLS: Okay. Thank you.

21           Bill Magavern.

22           MR. MAGAVERN: Good morning. Bill Magavern,  
23 director of Sierra Club California in strong support of  
24 both rules. I appreciate the work of the staff and the  
25 Board to get you this far. And I know you know that we

1 need the rule to meet our clean air obligations to have  
2 any chance of having healthy air at the time when we need  
3 to, which really has been too long already.

4           And I know that we're all struggling with  
5 economic impact. I was really struck yesterday in the  
6 staff presentation by the calculation that the benefits of  
7 the rule outweigh the cost by a factor of greater than ten  
8 to one. So it seems to me that this is a rule that we  
9 cannot afford not to adopt for the state of California.

10           We also support the recommendations of the Union  
11 of Concerned Scientists for further improvements in the  
12 greenhouse gas rule, which is also going to be beneficial.

13           And I think the Governor has really made it clear  
14 that California can have a healthy environment and a  
15 growing economy at the same time. And I think that you  
16 need to take this step to really make that happen for us.  
17 And I thank you for your work. And I'll hand in some  
18 postcards.

19           CHAIRPERSON NICHOLS: Thank you very much.

20           Greg Pile.

21           MR. PILE: That's me. I'm Greg Pile.

22           Thank you for the opportunity to speak to you  
23 this morning. I'm from Chaparral Honey based in San Diego  
24 County. Beekeeper and mechanic. We manage between 10 and  
25 12,000 colonies in that area. We have 12 trucks we run,

1 and five of them are pre-1990.

2 I, too, am for clean air. If I wasn't for clean  
3 air, I would probably smoke.

4 But I am troubled with some of the language in  
5 here as far as beekeepers are concerned. I spoke with one  
6 of your representatives yesterday and wasn't sure about  
7 beekeepers like ourselves, whether we fit into the  
8 agricultural exemption. And I would ask that some of that  
9 be clarified and specified for our industry and our  
10 business.

11 I'm also frustrated by this rule, because at the  
12 stroke of your pen, my assets, my older trucks have been  
13 trashed, turned into toxic waste. Nobody wants them. I  
14 can't sell them, even at a reduced price. I have two of  
15 them I'm trying to get rid of in anticipation of this, and  
16 I can't sell them. Nobody wants them. The truck guy I  
17 just brought a truck from, he doesn't want them.

18 Maybe Mexico wants them. But as far as I  
19 remember, Mexico is right next door. And didn't know if  
20 we wanted them running those trucks, if they're that bad  
21 here.

22 I'm taking possession of a new truck on Monday.  
23 First new truck our company has bought in 40-plus year  
24 history. And we did it to try to comply with this  
25 regulation. It fries me that I have spend \$110,000 to get

1 this new truck that's three times what I normally spend to  
2 outfit our company with used trucks. And I can't buy used  
3 trucks right now that work to comply.

4 I'm frustrated by this. I'm tired of California  
5 thinking we have to be first and a leader in all of these  
6 things. It's constricting and restricting to good  
7 business folks. And we have a reputation here in  
8 California, and it's not a good one, that is of driving  
9 business out of the state because of burdening  
10 regulations.

11 If you put this rule into force, and taking  
12 account our economy's in the toilet right now, this is not  
13 good.

14 CHAIRPERSON NICHOLS: Your time s is up. Thank  
15 you.

16 What's the answer on beekeeping? Is it  
17 agriculture or isn't it?

18 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
19 WHITE: It certainly is. I'm looking through our  
20 definition to see exactly how that would fit in. I'll  
21 have an answer for you.

22 CHAIRPERSON NICHOLS: Thank you.

23 Andy Katz.

24 MR. KATZ: Thanks, Chair Nichols and Board  
25 members. I'm Andy Katz, representing Breathe California.

1 And we're a lung health organization that's very concerned  
2 about the serious health consequences that are happening  
3 as a result of diesel toxic pollution that's emitted in  
4 our state. Seventy percent of the cumulative air risk  
5 comes from diesel pollution.

6           The Bay Area Air Quality Management District and  
7 South Coast Air District have done comprehensive maps of  
8 cumulative pollution. And it's no consequence when you  
9 look at where the highest concentrations are, they're near  
10 the highways. They're near the routes that trucks are  
11 going. There's because trucks are such a large  
12 contributor to this problem.

13           Four-thousand-five-hundred premature deaths every  
14 year. And this rule will go a long way in preventing  
15 premature deaths, cancer, heart attack, asthma attacks.

16           California needs this rule, because we're paying  
17 with our health. Not only does my employer lose out  
18 because of health insurance costs skyrocketing, because of  
19 increased cancer and asthma attacks, but we're paying with  
20 our health. And that wasn't reflected in the studies  
21 either.

22           What I want to encourage the Board to do is to  
23 not delay the implementation of this rule. There have  
24 been many workshops, and your staff has been very, very  
25 flexible in listening to what is the industry saying. And

1 there were revisions. There were very serious revisions  
2 that adjusted flexible compliance mechanisms. And the  
3 rule is very improved because of your staff's willingness  
4 to work with the industry.

5           But there isn't any more margin of error. What  
6 the rule as written does is it really barely meets the SIP  
7 commitments and it barely gets there. So delaying any  
8 implementation dates seriously threatens non-attainment in  
9 the South Coast and central valley where the air quality  
10 is the worst and ozone is high and particulate exposure is  
11 high. California can't afford dirty air any longer and  
12 the law may not allow it either.

13           Thank you.

14           CHAIRPERSON NICHOLS: Thank you.

15           Vania Ahamdi.

16           MS. AHAMDI: My name is Vania Ahamdi. I'm here  
17 representing Healthy 880 communities, and we are a member  
18 of Ditching Dirty Diesel.

19           We serve communities along the 880 corridor. And  
20 those communities are disproportionately affected by  
21 diesel pollution. They are paying for these effects of  
22 diesel with their health. They're paying for it through  
23 their pockets, trying to pay for medicine. Their children  
24 are paying for it by not being able to sleep well at night  
25 because of asthma.

1           And we urge you to adopt both regulations. And  
2 thank you.

3           CHAIRPERSON NICHOLS: Thank you.

4           Maria Barajas, Maxine Benson, Christine Cordero.

5           We're getting behind on bringing people forward  
6 here.

7           MS. CORDERO: Good morning. Thank you for having  
8 us here.

9           My name is Christine Cordero with the Center for  
10 Environmental Health as well as a member of the Ditching  
11 Dirty Diesel Collaborative. We work with communities all  
12 over the Bay Area to reduce diesel exposures in low income  
13 communities of color.

14           We keep hearing it said that we have to wait  
15 until the economy recovers before we fix the problem of  
16 dirty trucks and buses polluting our communities.  
17 However, delaying implementation or weakening this rule  
18 will not solve our state's economic crisis. The costs and  
19 hospitalizations, our lives, lost work days, and missing  
20 school will cost more than what it takes to clean up these  
21 trucks.

22           Not only that, the waiting and the weakening of  
23 the rule will not solve the economic problems. But at  
24 what point do we say our children's lives and our  
25 community's health are equal to company's bottom line. I

1 have deep respect for the company owners in this room and  
2 for the economy and how hard it is right now.

3           But I get really emotional, because we have lost  
4 people we love. We have seen people sick every single day  
5 for years and year and decades from this problem. And so  
6 it's just really hard, because we have paid more than our  
7 fair share in our health and our lives.  
8 Seventy-one-thousand people with asthma are waiting to  
9 breathe clean air. We cannot wait any longer. So we urge  
10 you to really adopt these regulation without weakening  
11 them and without delay. Thank you.

12           CHAIRPERSON NICHOLS: Thank you.

13           David Atwater, Mirna Ramos.

14           MR. ATWATER: Hi. I'm a third generation  
15 petroleum marketer. Sell a lot of gasoline and diesel  
16 fuel to industry, to agriculture.

17           I have trucks. I have four in the 1980s, eight  
18 in the 1990s, and I have seven pre-'07 and three '07s.  
19 Nothing beyond that new.

20           I am one of those guys who have been long time  
21 family business. Saved all of our money, invested in our  
22 trucks. A lot of the trucks are paid. Some of the trucks  
23 we inherited from people who have gone out of business and  
24 said, "Here, take my business, please. And take care of  
25 my customers." We've taken over two companies in the last

1 18 months.

2           Getting bank financing when diesel fuel was \$5 a  
3 gallon, the bank said, "Sorry. There's no money out there  
4 for you. No money out there to upgrade your trucks."  
5 Nobody wants to loan money for an upgrade to a truck.  
6 They might loan money for a new truck, but I just sold a  
7 2007 truck from one of those companies that I took over.  
8 Why? Because I didn't want the \$5,000 a month payment.  
9 I'd love to buy a dozen if you have a dozen trucks for  
10 sale for 800 bucks a month. I would go for that. That  
11 would be really good, because I could upgrade my fleet.

12           I got a couple grease trucks that run to service  
13 the cotton picker industry in California that run 90 days  
14 a year. They might qualify. My company does not.

15           Our agricultural bob tails, they run over your  
16 minimum mileage. They service all kinds of industry.

17           One other comment that hasn't been made here, I  
18 would like to say that as I was pacing the floor last  
19 night thinking about the thousands of people that have  
20 died. My son also has asthma. It's grass-borne asthma.  
21 But you know I got to say that in balance, having traveled  
22 all over the world from Afghanistan to central Africa, I  
23 can tell you --

24           CHAIRPERSON NICHOLS: Time is up. Sorry.

25           MR. ATWATER: -- that diesel is good for the

1 world.

2 CHAIRPERSON NICHOLS: Mirna Ramos, Ana Torres,  
3 Kathy Rose.

4 I'm sorry. Who are you?

5 MS. LEE: My name is Ana Lee.

6 CHAIRPERSON NICHOLS: Okay. Is Ana Torres or  
7 Kathy Rose here?

8 MS. ROSE: Kathy Rose?

9 CHAIRPERSON NICHOLS: Go ahead.

10 MS. ROSE: Good afternoon, Chairman Nichols,  
11 members of the Board.

12 My name is Kathy Rose, and I am vice president of  
13 sales and marketing for Nose Cone Manufacturing Company.  
14 We are a family-owned California-based company founded in  
15 1973. Our company has remained profitable for over 36  
16 years.

17 As much as this regulation suits our agenda to  
18 maintain that success, we have strong disagreements with  
19 its basis. Despite those disagreements, I originally came  
20 here today with much excitement to introduce a new product  
21 that we are bringing to market in spring of 2009. We've  
22 made significant investments in transitioning our  
23 36-year-old manufacturing process to address both the  
24 environmental and maintenance issues the trucking industry  
25 is facing today. Unfortunately, there is no time to show

1 you our new highly durable 100 percent recyclable Nose  
2 Cone. Because after listening to yesterday's testimony, I  
3 felt it was more important to address the issues that make  
4 in regulation inappropriate as it is currently written.

5           On the slide above, we have three different  
6 tractor-trailer configurations: The SmartWay, and two  
7 others that are not SmartWay approved.

8           To date, the EPA SmartWay Program has not tested  
9 these two other configurations to determine whether or not  
10 they are more or less efficient than SmartWay design  
11 specification.

12           Wind tunnel analysis has demonstrated  
13 combinations with shorter tractor heights and Nose Cone  
14 treated trailers are equally efficient under no wind  
15 conditions and are more efficient under cross wind  
16 conditions.

17           For the sake of time, I'll summarize by saying  
18 until these other configurations are objectively analyzed  
19 and compared, there is no basis for making these other  
20 applications non-compliant.

21           Yesterday, Professor Sperling questioned the  
22 problem with the methodology. The problem is the track  
23 testing. Track testing is seriously deficient when is  
24 comes to proving aerodynamic performance.

25           CHAIRPERSON NICHOLS: You've used your time up.

1 Two minutes. We can take your written testimony and  
2 pictures if you've given the slides.

3 Ana Lee.

4 MS. LEE: Good morning. My name is Ana Lee. I'm  
5 a researcher with Communities for a Better Environment,  
6 also a member of Ditching Dirty Diesel Collaborative from  
7 the Bay Area and AB 32 EJAC member.

8 East Oakland is predominantly African America,  
9 Latino, and a low-income community and is bombarded by  
10 cumulative impacts. The asthma hospitalization rate for  
11 children is two times the county rate. Diesel trucks are  
12 contributing to disproportionate health impacts. They  
13 pass all day through the community on their trips to and  
14 from the ports of Oakland. They come into the community  
15 to the distribution centers. They come there to park and  
16 sometimes up to a week long and idle illegally and also to  
17 refuel. They're driving through the residential areas  
18 right next to schools, right by recreation centers all day  
19 long. And there is also a school bus depot in the  
20 community.

21 And just for some personal testimony, we recently  
22 completed an on-the-ground PM2.5 monitoring project with  
23 CARB monitoring. And wanted to testify that it makes  
24 you -- that it's just not great being out there with the  
25 diesel trucks. I felt light-headed. I felt sick for two

1 days. And I don't have asthma or preexisting health  
2 conditions.

3 Truck drivers and bus drivers are also paying a  
4 price of diesel pollution. From communities in West  
5 Oakland, East Oakland, San Leandro, L.A., Central Valley,  
6 on and on, these diesel trucks have been enormous impact.  
7 And these communities should not be ignored.

8 And agriculture should not be exempted. Reducing  
9 emissions now is crucial to protecting the health of East  
10 Oakland residents. And environmental justice is based on  
11 the premise that no one -- everyone has a right the breath  
12 clean air where they live, work, play, and pray.

13 So I strongly urge the Board now to vote to adopt  
14 the rules without delay or weakening health protections  
15 for all communities. Thank you.

16 BOARD MEMBER D'ADAMO: Thank you.

17 Mr. Faulkner.

18 MR. FAULKNER: I'm Ron Faulkner, Faulkner  
19 Trucking, Incorporated.

20 I hope the Board members have had a chance to  
21 read my written statement I sent in. That way I don't  
22 have to repeat myself.

23 What we need to do -- we are all for clean air.  
24 I don't know anybody in the trucking industry that is not  
25 for clean air. We're not trying to stay we don't want

1 clean air.

2           What we need is the funding to do this. It's  
3 going to cost me \$7 million between now and 2014 to do  
4 anything with my fleet. That's a lot of money when my  
5 gross revenue is 6 million with a percent to two percent  
6 profit. Don't take much to do the math to see we're not  
7 going to make it.

8           The SmartWay rule. These fairings on these  
9 trailers -- and I have voiced this before on the  
10 SmartWay -- they're not going to stay on. They might take  
11 a side impact, but when you back into a pit dock, you're  
12 going to drag them off. Hands down. I have measured it.  
13 I have two-and-a-half feet of clearance from the bottom of  
14 the trailer to the cement on my tractors and trailers get  
15 into a dock.

16           Now that SmartWay flaring is not going to side  
17 stay on there in the front when I or reverse or back in or  
18 pull out of the dock. Sideways it may give. Front and  
19 back is not going to give.

20           So what we're trying to say here we want to do  
21 this. We want to follow the regulation. We need the  
22 money to do that.

23           I don't fall under any grants. I can't qualify  
24 for any grants at all. I have 35 power units and 47  
25 employees. If this goes through, I don't have no choice

1 but to fold up. And that's going to put 47 employees out  
2 of business that have been loyal to me over the years. We  
3 are in Tulare County and the unemployment rate is going  
4 higher every day.

5           This cost of this isn't going to be able to  
6 survive it. We need to push it out further to give us  
7 some time. The clean is getting cleaner by the day for  
8 all the 2007 motors that are already out there. There's  
9 thousands and thousands. Swift has 20,000 trucks that are  
10 going to have all this stuff on. Knight has 3,800.

11           BOARD MEMBER D'ADAMO: Thank you, sir.

12           Glenda Deloney, followed by Tiana Drisker.

13           MS. DELONEY: Good morning. Yes, my name is  
14 Glenda Deloney. I'm a member of Communities for a Better  
15 Environment and a concerned citizen.

16           I lost my mom to cancer, and I have allergies. I  
17 live in West Oakland one block from highway 880 and a half  
18 a mile from the port of Oakland. Two elementary schools  
19 are located in the midst of the diesel truck traffic en  
20 route and port of Oakland during school hours on a daily  
21 basis.

22           Oakland is an urban city that for decades have  
23 inhaled environmental chemical hazards that overwhelmingly  
24 suffocates the city. Diesel emissions has created chronic  
25 respiratory conditions among 25 percent higher rate

1 children in the west Oakland area. Breathing the  
2 hazardous chemicals is inhaling a drug like unseen  
3 particulate matter that imbeds deep in the lungs. And  
4 other research problems among children are learning  
5 deficits, behavioral problems, and short-lived life spans  
6 as an adult inherited from childhood breathing conditions  
7 that leads to heart conditions.

8           The rule essentially will meet the federal clean  
9 air requirements. Also judiciously will help enforce a  
10 healthy life styles and 2010 healthy peoples.  
11 Representing the communities of Oakland, the citizens seek  
12 the legislative support to undue the urban city  
13 environmental hazardous justice.

14           BOARD MEMBER D'ADAMO: Thank you, ma'am.

15           Tiana Drisker followed by Jason Schmelzer.

16           MS. DRISKER: Hi. I'm Tiana Drisker, and I am  
17 with Communities for a Better Environment, which is an  
18 environmental health injustice organization.

19           CARB recently gave CBE PM2.5 monitors to measure  
20 ground level diesel PM experienced by residents in east  
21 Oakland. Why did we need this equipment? Because  
22 residents in east Oakland are experiencing a  
23 disproportionate amount of health impacts because of the  
24 emissions produced by thousands of trucks that drive  
25 through low income communities every day.

1           The negative health impacts are ramped, including  
2 asthma, respiratory issues, cancer, and epidermic allergy  
3 reaction.

4           If the trucks are retrofitted, the quality of  
5 health will improve for people who depend on State medical  
6 care or who even don't have medical coverage at all.

7           These trucks also pass by clusters of elementary  
8 schools. These are residents who have to find a way.  
9 These are sensitive receptors. These are people who are  
10 extremely sensitive to this type of pollution.

11           We have to find a way to support the truckers.  
12 We have to find a way to support them financially. And we  
13 have to come up with a solution to mediate this problem.  
14 Because we do understand that this is a hardship for  
15 truckers to make this transition.

16           Also I want you to realize that the trucks do sit  
17 and idle. So when they're waiting to go to truck stops,  
18 when they're waiting to go inside these businesses,  
19 they're idling for unknown periods of time that's not  
20 being documented. And it's not being regulated. These  
21 trucks are not driving through your Walnut Creek  
22 communities. These trucks are not driving through your  
23 Pleasanton and Pleasant Hills conservative residential  
24 communities. These trucks are driving through low-income  
25 communities where there's lots of industrial cumulative

1 impacts.

2 Please support both of the truckers laws.

3 BOARD MEMBER D'ADAMO: Mr. Schmelzer followed by  
4 Vannylda In.

5 MR. SCHMELZER: Thank you, Madam Chair and  
6 members. I'm Jason Schmelzer here representing the  
7 California Chamber of Commerce, the largest broad-based  
8 business association in the state of California with over  
9 16,000 members, with three million employees.

10 I want to be really clear about what's happening  
11 here. There is a name for the process that's taken place  
12 with this rule. It's called eminent domain. Governments  
13 do it to people's homes. When they do it, not only do  
14 they have to have a good reason, but they have to pay fair  
15 market value for what's being taken.

16 That's not happening here. I think a lot of  
17 people in this room that are supporting the rule would  
18 have a very different take if it were their property that  
19 was being proposed to be taken.

20 That being said, our goal is not to stop any  
21 regulatory action. We're part of the DTCC coalition that  
22 has provided an alternative.

23 Again it was mentioned earlier today, there is  
24 the base line. There is the current rule. And then  
25 there's a middle ground, the compromise. That's what we

1 are here to promote is a compromise.

2           The impact of this rule is massive. California's  
3 unemployment rate is currently at 8.2 percent and is going  
4 to go higher. The UI fund is in jeopardy. There are a  
5 lot of problems. If you are looking at this one rule  
6 alone in a silo, it may sound like a great idea. When you  
7 look at the totality of what's going on in the state of  
8 California, we really have some big problems with this  
9 rule.

10           The economic and emissions analyses, Sierra  
11 Research point out some significant problems with how the  
12 baseline emissions numbers were calculated, what the  
13 impact of the recession is, and how the economic analysis  
14 was done.

15           Just yesterday, the Sacramento Bee ran an  
16 editorial that characterized or quoted a professor from  
17 Harvard University in the context of your economic  
18 analysis for AB 32 said, "The economic analysis is  
19 terribly deficient in critical ways."

20           Another comment said, "The net dollar cost of  
21 each of these regulations is likely to be much larger than  
22 what's reported." That from a professor at UCLA.

23           We're here advocating for the advancement of a  
24 compromise. If you don't take that compromise, what we  
25 would urge is to take careful note of the process for the

1 economic analysis for the emissions inventory.

2 BOARD MEMBER D'ADAMO: Thank you. We need folks  
3 to line up so we can move along here.

4 I'm going to read of the next 10, 15 names.  
5 Vannlyda In, Brian Davis, Florintino Hernandez, Elizabeth  
6 Daigle, Ed Welch, Sarah Sharpe, Cheryl Moore, Camille  
7 Kustin, Brian Beveridge.

8 Sir.

9 MR. DAVIS: I guess that's me next. I'm Brian  
10 Davis, and I'm with Breathe California. And I have some  
11 of these cards also to hand in from people who can't be  
12 here today.

13 And basically I'm here to speak personally for  
14 one thing. I live on Fell Street in San Francisco, which  
15 is one of the major arteries there. There is black powder  
16 piled up on the windowsills. I know that as a person with  
17 asthma that that is effecting my health. And I'm very,  
18 very concerned about where that black smoke is going in my  
19 lungs.

20 And I know that a lot of it is coming from the  
21 diesel exhaust that we need to dramatically reduce here by  
22 passing a very strong, very powerful rule. Making sure  
23 that we don't delay this. That we don't weaken it. This  
24 isn't just an issue of health. This is also an issue as  
25 hasn't been said too much. What I heard mention again

1 this is an environmental reality that we're facing a world  
2 where the icecaps are melting. Where we're seeing lots  
3 and lots and more and more fires and droughts in  
4 California and in other places.

5           And this is not a time to delay. This is not a  
6 time to weaken. This is a time to move forward and make  
7 very, very strong rules and for California to set the  
8 example. And obviously this is a financial issue as well.  
9 And it's a financial issue in a lot of different respects.  
10 Obviously, it effects the truckers' financial situations.  
11 But it also effects the health of our people. We've got  
12 much, much more money that can be saved in California and  
13 health costs by passing a tough rule. And we need to look  
14 at the fact that this money obviously we need to support  
15 the truckers. We need to find every we can to support  
16 them.

17           But the reality is that ultimately that cost is  
18 going to be passed on to the consumer as it should be,  
19 because it's all of us that are being benefited by this  
20 and all of us that should be paying the costs. But we  
21 cannot delay. We cannot weaken. We have to move forward  
22 with a tough law. And we should not be paying with our  
23 lungs.

24           Thank you.

25           BOARD MEMBER D'ADAMO: Thank you.

1 Florintino Hernandez and Elizabeth Daigle, Ed  
2 Welch, Sarah Sharpe, Cheryl Moore, Camille Kustin, Brian  
3 Beveridge.

4 MR. WELCH: Yes. Hi. My name is Ed Welch with  
5 Save the Air in Nevada County.

6 We are unfortunately number ten on the EPA list  
7 on the worst ozone polluted counties in the nation,  
8 primarily blown up from Sacramento Bay Area components.

9 So I just wanted to talk about the ozone  
10 component being a general degradation of our public health  
11 and our environment.

12 Dr. Balmes was a part of an epidemiology study  
13 that said that increased lifetime exposure to ambient O<sub>3</sub>,  
14 our ozone is associated with decreased function of air  
15 ways. So in the future, these problems are going to be  
16 potentially great for us in the future.

17 I also want to relate a story to our county.  
18 Recently, a year ago, we had two medical doctors move from  
19 our county because their young twin four-year-old  
20 daughters were having pulmonary distress. They went to  
21 their medical peers, talked to a pulmonologist at  
22 Stanford. They talked about a critical time period for  
23 your children which is zero to six. When the development  
24 of those lungs needs to be nurtured. If it's damaged,  
25 it's irreversible. So if kids start showing signs of

1 pulmonary digress, basically it's to late. So I want to  
2 say the extensions do matter to kids' health.

3           And also we sponsored a ozone summit this summer  
4 up in Grass Valley. And they talked about forestry  
5 damages. Their forest is also dramatically impacted by  
6 ozone. The agricultural damages as well. The substantial  
7 reductions in crop yields as from ozone damage is also  
8 substantial as well.

9           And also want to remind that you the ozone  
10 standards will likely go lower. The ozone standard was  
11 reduced to 75 parts per million last spring. As several  
12 members have testified, the Science Advisory Board said  
13 that number should be between 60 and 70 parts per billion.  
14 So it is going lower. Hopefully, it will go lower to  
15 protect people's health. This is just a beginning measure  
16 in what we would try to do to solve this problem.

17           BOARD MEMBER D'ADAMO: Thank you, sir.

18           Cheryl Moore.

19           MS. MOORE: Good afternoon. My name is Cheryl  
20 Moore with Mendocino Redwood Company.

21           In the interest of time, I'm going to limit my  
22 comments to just one topic.

23           I would like to ask the Board to help in  
24 revamping the Carl Moyer Program to increase the funding  
25 that's available statewide and also to make sure that

1 there is sufficient funding to make it down to the private  
2 rural businessperson.

3           And in addition to increased funding, it would  
4 also be helpful if the Carl Moyer Program supported basic  
5 compliance projects, not just above and beyond projects.

6           Additionally, if it was re-structured so that  
7 participants could receive partial funding so that a  
8 project wouldn't be denied if 100 percent funding of that  
9 piece of equipment wasn't warranted, so they could get  
10 some portion towards replacement or retrofitting.

11           Thank you.

12           BOARD MEMBER D'ADAMO: Brian Beveridge.

13           You are Camille? Just one second.

14           Brian Beveridge, Bill Gassaway, Dick Stuart,  
15 Lowell Robinson, Brad Edgar.

16           MS. KUSTIN: Good afternoon, members. I'm  
17 Camille Kustin with Environmental Defense Fund.

18           I'm going to get straight to the point.

19           We very much support the rule. However, we have  
20 significant concern about the proposed agricultural truck  
21 provisions. It reaches too far and does not provide the  
22 needed health protections.

23           Under the proposal, 70 percent of ag trucks will  
24 have no controls until 2017 and half will continue to emit  
25 diesel soot from 2017 to 2023. This will

1 disproportionately effect farm workers and profession and  
2 residents of rural areas. Provides no early protections  
3 for acute exposure to fine diesel particulate.

4           This pollution affects some of the most  
5 vulnerable populations who have the least access to health  
6 care. We believe the Board can allow for flexibility for  
7 agriculture, recognizing its unique characteristics will  
8 also restore health benefits.

9           We simply request the Board do the following:

10           Limit the ag provision to small fleets to truly  
11 help the small farmer, eliminate chemical and fertilizer  
12 trucks. These vehicles have never been considered an ag  
13 truck, and that shouldn't start now.

14           And reduce the mileage threshold to 10,000 miles  
15 and require PM filters by January 1, 2015. This will  
16 achieve direct health benefits. And if installing a  
17 retrofit isn't an option for some vehicles because of  
18 their age, there will be a growing market for used trucks  
19 that are fitted with a filter. And these trucks will be  
20 available at more reasonable price as compared to buying a  
21 brand-new truck.

22           This time line will also allow additional time to  
23 access incentive funds. And there will be funds available  
24 for ag trucks. When specifically asked this question, the  
25 unequivocal response from CARB air districts staff from

1 Sacramento and San Joaquin was that there will be money  
2 available for ag trucks and it's historically been the  
3 case starting next year. California agriculture is  
4 successful, because it has been innovative.

5           And in response to other air regulations, this  
6 sector has demonstrated its ability to meet the challenge  
7 of reducing emissions. This rule will help clean up the  
8 air and protect those that make the farm run and will  
9 provide cleaner, newer vehicles that also make the farming  
10 operation more efficient.

11           So we also thank CARB staff for their work.

12           BOARD MEMBER D'ADAMO: Thank you.

13           Brian Beveridge.

14           MR. BEVERIDGE: Good morning or afternoon,  
15 whichever it might be. My name is Brian Beveridge. I'm  
16 co-chair of the West Oakland Environmental Indicators  
17 Project in west Oakland, California.

18           We are surrounded on -- a community about 22,000  
19 surrounded on all sides by freeways, which we didn't ask  
20 for or build. Less than an eighth of a mile from the port  
21 of Oakland, which we didn't actually ask for or build. We  
22 experience diesel emissions from trucks, trains, and ships  
23 24-7.

24           Bunch of us came on a bus up here today. A woman  
25 at the bus stop said, "Where are all you going?"

1           We said, "We're going to Sacramento to talk about  
2 clean air in the neighborhood."

3           She said, "That should have happened 40 years  
4 ago."

5           In 1995, the EPA declared diesel particulate a  
6 carcinogen. In last 40 years, I think we've had about  
7 three boom and bust cycles.

8           The point is in good times, our communities don't  
9 really share in the largest, the prosperity. And in bad  
10 times, we're told nobody can afford to do anything about  
11 our problems.

12           As taxpayers, we've committed as well through  
13 these bonds to support this process. I don't think anyone  
14 in the state is asking for anything for free.

15           As consumers, we know we'll probably pay a little  
16 bit more, because these costs are going to be passed on to  
17 us. It will probably won't come out of the dividends.

18           In the long run, the costs of government can't be  
19 reduced if we continue to burden taxpayer with the social  
20 costs of diesel pollution.

21           It's been demonstrated children's lungs are  
22 permanently damaged by exposure to diesel pollution. So  
23 for every year we delay, we raise another generation of  
24 people who need respiratory health care. I think at this  
25 point we need to have industry looking for ways they can

1 comply and not spending time delaying these regulations

2 BOARD MEMBER D'ADAMO: Thank you, sir.

3 Bill Gassaway, then Dick Stuart.

4 MR. GASSAWAY: I'm Bill Gassaway, with Gassaway  
5 Enterprises.

6 I'm a very small business in California. Do  
7 salvage work in the logging industry. Go around to fuel  
8 reductions for fire prevention. Also eradication of pine  
9 beetle. That's 90 percent of my logging work.

10 I applied for the Carl Moyer Program well over a  
11 year ago. It was accepted. The moneys were just about  
12 out. Went down the Kenworth. Ordered my truck like for  
13 like what I have. Laid around that night thinking about  
14 the whole thing. Now I've got a debt coming up here which  
15 I really can't afford. It all equaled out to I was going  
16 to have to come up with another \$2,000 a month. The next  
17 day I called up and I let the next guy have it.

18 I'd like to comply with all this. But it's  
19 unrealistic for thousands -- literally thousands of people  
20 like me with one rig. Little entrepreneurs that try to  
21 survive in the state. It's just out of our reach. I  
22 mean, we can't do this.

23 I don't really think that you even realize the  
24 impact this is going to have when tens of thousands of  
25 people like myself instead of, you know, large companies

1 we've heard from and stuff are affected by this. Your tax  
2 base is going to be affected traumatically. I mean,  
3 you'll see it overnight. You put tens of thousands of us  
4 little guys out of business, you're going to get your pink  
5 slips in the mail next week. It's going to affect  
6 California's economy bad. We need to evolve into this,  
7 but we need to do it slower, when we have an economy to do  
8 it with. Help us people out. We need help.

9 BOARD MEMBER D'ADAMO: Thank you, sir. I have a  
10 question for you. How much was the grant award?

11 MR. GASSAWAY: I was going to receive \$80,000 on  
12 my rig. And it needs to be off the road, but that's what  
13 makes me survive and my family.

14 BOARD MEMBER D'ADAMO: Thank you.

15 Dick Stuart, followed by Lowell Robinson.

16 MR. STUART: Good afternoon. My name is Dick  
17 Stuart. I work with Maxim Crane Works. I'm responsible  
18 for our company's fleet compliance with CARB rules and  
19 reporting requirements.

20 Maxim is a nationwide crane rental company. We  
21 have five locations in California and approximately 250  
22 cranes, various types, servicing the state.

23 Want to focus on a small section of this rule  
24 that has a large impact on our industry. Roughly 32 of  
25 the cranes that we have in California will be impacted by

1 the two-engine crane provision described in Appendix L of  
2 the ISOR.

3           Our company supports this provisions as an  
4 efficient means of allowing the crane industry to achieve  
5 CARB's emissions objectives. In the event there is a  
6 delay acting on the on-road rule, we would request that  
7 there's no delay in avoiding that particular provision or  
8 implementation of that particular provision. This will  
9 avoid the multiple reporting requirements and ATCMs that  
10 currently apply and reduce the burden of compliance for  
11 our industry. Thank you for the opportunity.

12           BOARD MEMBER D'ADAMO: Thank you, sir.

13           Lowell Robinson, followed by Brad Edgar.

14           MR. ROBINSON: Good afternoon, Madam Chair and  
15 Board. My name is Lowell Robinson from Nevada City,  
16 California. And I bought my first truck 61 years ago.

17           Our company has been in the business. And we buy  
18 new trucks -- our first new trucks were bought in 1955,  
19 and we've been buying new trucks ever since. And it's  
20 very hard to keep up with.

21           With the economy the way it is right now, if we  
22 can get the Carl Moyer Program to help just a little bit  
23 more so we could change and get newer trucks -- there's no  
24 company that would rather have newer trucks than  
25 ourselves. All over the last two years, we bought nine

1 new trucks. And even today there's one in the shop.  
2 Those trucks almost -- of the nine trucks we got, almost  
3 every day one of them is in the shop because it won't run.  
4 Caterpillar is the manufacturer of that engine. They did  
5 not get enough time to manufacturer that engine so it will  
6 work in the time that we need.

7           So I'd ask for a little more of the Carl Moyer  
8 money and not quite so many regulations. There's so many  
9 regulations in it that it's hard to meet that demand in  
10 the Carl Moyer Program. And if we can go a little bit  
11 slower, Rome wasn't built in a day. Thank you.

12           CHAIRPERSON NICHOLS: Brad Edgar.

13           MR. EDGAR: Chair Nichols and members of the  
14 Board, thank you for the opportunity to testify today.

15           I'm the President of the Cleaire Advanced  
16 Emissions Controls, a California-based manufacturer of  
17 retrofit devices.

18           We are here today in support of the rule.

19           I would like to make a couple of comments about  
20 emission controls.

21           We've been involved in the retrofit business  
22 since 2001. And since that time, we have retrofitted  
23 thousands of vehicles in California to support the fleet  
24 rules you've already passed. Over the past two years,  
25 we've invested heavily to expand our product portfolio and

1 our manufacturing capability to ensure that we are ready  
2 to support this rule.

3           Today, it is possible to apply high efficiency or  
4 level three devices to essentially any and every diesel  
5 engine covered under this proposed rule. We plan to offer  
6 passively regenerating filters for hotter applications,  
7 actively regenerating filters for colder applications.  
8 And we will alter our long view product device that offers  
9 both NOx and particulate matter reductions for on-road  
10 applications as well.

11           All of these products are either verified today  
12 or are in the final stages of the verification process.  
13 We believe retrofitting provides an outstanding compliance  
14 option. For a fraction of the cost of a new or used  
15 truck, the owner can retrofit it and use it to the full  
16 extent of its useful life pushing out the transition to a  
17 newer model year truck.

18           And final point to make, there are co-benefits  
19 from retrofitting. Reducing particulate matter in  
20 addition to mitigating health impacts also has a climate  
21 change benefit through the reduction of black carbon.

22           So in closing, we support this rule. We look  
23 forward to our continued cooperation with ARB. And we  
24 urge you to pass this rule. Thank you.

25           CHAIRPERSON NICHOLS: Thank you.

1           John Clements.

2           MR. RHOADES: My name is Steve Rhoades. I'm  
3 filling with for John Clements. His Board has just  
4 imposed a travel and a budget freeze because of the  
5 pending budget cuts.

6           I'll make this very short because it's in front  
7 of you. Two points.

8           He wanted to make sure that in the future that  
9 you consider pricing the CNG and the hybrid electric buses  
10 at 180,000. We would like to see that for the new school  
11 bus program.

12           He's got to replace 30 of his school buses.  
13 That's almost half his fleet under the rule. And he would  
14 like ARB and the education community to work together to  
15 obtain funding for that.

16           Thank you.

17           CHAIRPERSON NICHOLS: Thank you.

18           Gale Plummer.

19           MR. PLUMMER: Thank you very much for the  
20 opportunity, Chairman Nichols and Board and staff.

21           I'm Chief Operating Officer of Cleaire Advanced  
22 Emission Controls, California-based retrofit company. And  
23 we've invested aggressively to support the rules this  
24 Board has presented.

25           The first topic I'd look to talk about is quickly

1 on green jobs growth. Every one of our systems that's  
2 installed in California requires about two-and-a-half work  
3 weeks of a Californian to build that system, install it,  
4 design it, and so on. So 100,000 retrofits is about 5,000  
5 annual jobs in California that that would result in.  
6 These are high tech jobs. They're high trade content  
7 jobs. And they make quite a contribution. And all of  
8 that takes place within California.

9           We believe retrofit is a very economical way to  
10 use the incentive funding. You can do about five  
11 retrofits for the cost of one truck replacement. And the  
12 retrofit technology presents the same platform for  
13 emission control for PM that a new truck does. We use the  
14 exact same technology.

15           So with that being said, we think it also allows  
16 the trucking community to recapture or to hold on to their  
17 investment that they made in that truck. Rather than  
18 retiring that truck and scrapping it, which is causing a  
19 great deal of grief to the balance sheet of any trucking  
20 company, we can extend the life of the truck and get the  
21 original design life they wanted out of the truck they  
22 vested for to begin with the retrofit that represents less  
23 than 20 percent of the cost of a new truck.

24           Thank you very much. If there are any questions.

25           CHAIRPERSON NICHOLS: Thank you, sir.

1 Rodney Edwards, Larry Greene.

2 MR. GREENE: Chairman members of the Board, I'm  
3 Larry Greene, Air Pollution Control Officer at Sacramento  
4 AQMD.

5 Just look the South Coast and San Joaquin,  
6 Sacramento will not meet current SIP goals, nor upcoming  
7 SIP goals without this regulation and the associated NOx  
8 and PM benefits.

9 We support passing this regulation for that clear  
10 reason and for the great toxics reduction benefits the  
11 rule will provide.

12 That said, an important part of implementing this  
13 regulation is the incentive funding is in place and will  
14 be available throughout the next ten years. We all must  
15 be diligent to keep the funding streams in place, and we  
16 commit to do that and work with the industry in our  
17 Sacramento area.

18 Thank you.

19 CHAIRPERSON NICHOLS: Thank you.

20 Steve Moore, Michael Mach.

21 Looks like Oakland High.

22 MS. RATNER: I just wanted to say in addition to  
23 Michael, there are a number of other students from Oakland  
24 High and Mandela High. Just in case they don't getting a  
25 chance to speak, I wanted them to be able to stand up. So

1 here are our students who have come here from Oakland to  
2 talk on the rule. Thank you.

3 MR. MACH: Hi. My name is Michael Mach. I'm a  
4 student at Oakland High School under the Environmental  
5 Science Accounting.

6 I believe a good truck rule that reduces diesel  
7 pollution is important studies from the researchers at  
8 U.C. Berkeley and Harvard reveals that truck drivers and  
9 those who work near these trucks, dock workers, have high  
10 rates of death and disease. If by changing the truck's  
11 engine can save lives and improve the environment, then it  
12 is a good idea to create and enforce this rule.

13 So please move quickly to adopt a truck rule that  
14 cuts diesel PM. With these truck, rules people wouldn't  
15 need to suffer from trying to make a living. Thank you.

16 CHAIRPERSON NICHOLS: Thank you very much.

17 I'm going to ask all the students who are with  
18 you, Jill, to come forward at once. Will you ask the  
19 students to come say their names, and we'll have heard  
20 from the whole group. I really think this will be more  
21 effective.

22 MS. RATNER: Thank you. My name is Jill Ratner.  
23 I work with the Rose Foundation for Communities and the  
24 Environment in Oakland, California.

25 And these are students from Oakland High School

1 and from Fremont High School.

2 And there's a map that was submitted as part of  
3 the testimony that shows where Fremont High School is in  
4 relation to various truck routes. And the students will  
5 just let you know who they are and what school they're  
6 from.

7 MR. KRESS: Hello. I'm from Oakland High School.  
8 I'm a senior.

9 CHAIRPERSON NICHOLS: Give your name, please.

10 MR. KRESS: Alek Kress.

11 MR. MAK: I'm San Ming Mak, a senior from Oakland  
12 High School.

13 MR. LO: I'm Sam Lo, senior from Oakland High  
14 School.

15 MR. TRAN: Hi, everybody. My name is Ricky Tran.  
16 I'm a senior from Oakland High School.

17 MS. SING: Hi. I'm Wau Sing. I'm from Mandela  
18 High School, senior.

19 SULAMA: My name is Sulama. I'm a senior from  
20 Mandela High School.

21 MS. GONZALEZ: Hi. My name is Yesenia. Also  
22 senior at Mandela High School.

23 MS. UCA: Hi. My name is Brissa. I'm a senior  
24 from Mandela High School.

25 YVETTE: My name is Yvette, and I'm from Mandela

1 High School.

2           SIM: My name is Sim Ling. I'm a senior from  
3 Oakland high.

4           MARJAM: My name is Marjam, and I'm a senior from  
5 Oakland High.

6           ENRIQUEZ: My name is Enriquez, and I'm with  
7 Oakland High.

8           VI: I'm Vi. I'm a senior from Oakland High.

9           MR. CHU: Hi. I'm Simon Chu. I'm senior at  
10 Oakland High.

11           MS. LU: I'm Shelley Lu, a senior from Oakland  
12 High.

13           MS. HUNG: Hi. I'm Mimi Hung, a senior at  
14 Oakland High.

15           TIMMY: Hi. My name is Timmy. Im a senior at  
16 Oakland High.

17           MS. NUNAN: I'm Katie Nunam. I'm a teacher at  
18 Oakland High School.

19           And a lot of students have prepared statements  
20 for you.

21           Those students who have asthma or friends and  
22 relatives who have asthma, please raise your hands please  
23 now. Thank you for listening to us.

24           CHAIRPERSON NICHOLS: Okay. Thank you.

25           And, Jill, you're listed as speaking later in the

1 program. We have statements here, too. Do you have a  
2 statement that you wish to give at this point?

3 MS. RATNER: Thank you. Yes.

4 My name again is Jill Ratner. I work with the  
5 Rose Foundation for Communities and the Environment.

6 And one of our programs is an environmental  
7 education program. We've been working with Ms. Nunan and  
8 Ms. Arabia at these two schools. These are schools where  
9 the average asthma rate for the ZIP code the students live  
10 in is approximately three to four to six times the state  
11 average.

12 As you saw, over half the students in these  
13 schools either have asthma or have someone close to them  
14 who has asthma.

15 Fremont High School in particular, which is the  
16 larger community school in which Mandela High School is  
17 located, is immediately adjacent to a truck route. It is  
18 approximately four blocks from another truck route,  
19 approximately five blocks from another truck route,  
20 approximately seven blocks from one of the busiest  
21 freeways in the area.

22 These kids are very much impacted by the rule.  
23 And their lives are going to be effected by your decision  
24 and the lives of their friends and family.

25 We all recognize how difficult it is to move

1 forward with this rule at this time. But we also want to  
2 make sure that you had a chance to see some of the  
3 students who are counting on you to protect them and their  
4 lungs and their friends and their families lungs.

5 Thank you very much.

6 CHAIRPERSON NICHOLS: Thank you for coming and  
7 for the work that you are doing with the students. Thanks  
8 to the teachers as well.

9 Steve Roberts.

10 MR. ROBERTS: I'm Steve Roberts, an  
11 owner-operator on the north coast. I am only going to  
12 bring to your attention something that hasn't been  
13 mentioned yet. In 2007 --

14 CHAIRPERSON NICHOLS: Speak into the mike.

15 MR. ROBERTS: -- I priced a power unit to replace  
16 the one I have equipped to do the work I do. The price  
17 tag is \$200,500.

18 Now my little niche I've got I can run under  
19 50,000 miles a year, support my lifestyle, and pretty good  
20 deal.

21 If I buy that truck, my annual mileage is going  
22 to have to go to 110,000 miles a year. There's 60- to  
23 70,000 miles more than my normal low mileage.

24 So the newer truck gets a percentage less fuel  
25 mileage than the present truck I run now. All your new

1 trucks through the owner-operators newsletter say all the  
2 2007-08 trucks are getting less fuel mileage than the old  
3 manual motors.

4           So I don't know on either side of this how it's  
5 going to help anyone if I have to burn that much more fuel  
6 a year to pay for the truck that's going to fall in  
7 compliance with your rule.

8           Thank you for your time.

9           CHAIRPERSON NICHOLS: Okay. Thank you.

10          Ms. Nunez.

11          MS. NUNEZ: Good afternoon, Chairman Nichols and  
12 members of the Board. My name Blanca Nunez, and I'm a  
13 life-long resident of Pacoima, a suburb located in  
14 northeast San Fernando Valley in the city of L.A.

15           I'm also a staff member of Pacoima Beautiful, an  
16 environmental justice nonprofit organization that provides  
17 environmental education and develops local leadership to  
18 help environmental changes.

19           Started in 1996, the organization began with five  
20 mothers working in the community and now creates  
21 community-based environmental information through resident  
22 engagement and through collaborative partnerships with  
23 government agencies, university partners, and community  
24 organizations. And our members have submitted written  
25 comment in support of the regulation.

1 I'd also look to submit these postcards.

2 CHAIRPERSON NICHOLS: Thank you.

3 MS. NUNEZ: Located just north of the dirty  
4 landfills, surrounded by three freeways and traffic diesel  
5 exhaust, bisected by a major railroad, and home to a  
6 private computer airport, as well as over 300 industries,  
7 Pacoima is an environmentally impacted community.

8 Through our work in the community, we have found  
9 that people are concerned about health and the exposure to  
10 numerous sources of pollutants. And as a community, we  
11 need access to the information, tools, and resources that  
12 will enable us to protect our health and the well being of  
13 our families.

14 On behalf of Pacoima Beautiful, I'd like to  
15 strongly urge you to support the diesel truck and bus  
16 regulation as slashing diesel emissions would greatly  
17 reduce the incidents of asthma and other respiratory  
18 illnesses in my community.

19 I would also urge you to adopt --

20 CHAIRPERSON NICHOLS: Your time is up. Thank  
21 you.

22 Jorge Villanueva.

23 MR. VILLANUEVA: My name is Jorge Villanueva,  
24 also with Pacoima Beautiful. We're an environmental  
25 health injustice organization located in northeast San

1 Fernando Valley.

2           And part of the reason why I'm here and why I do  
3 the environmental work that I do is because I think the  
4 environment is really important. But also I understand  
5 the concerns of the business sector. I come from a  
6 working class family. My parents both worked in industry.  
7 I have a small family here. We're immigrants. And my  
8 uncle was a truck driver in the same company that -- same  
9 factory my father worked in. And through the industry we  
10 were able to get our slice of the American pie.

11           But I also grew up with asthma. And I was  
12 diagnosed with asthma when I was seven. I had to -- it  
13 impacted me. It impacted the way I was able to  
14 participate in my childhood. I was in and out of the  
15 doctor's office. I was in and out of the emergency room.  
16 And the reality is that I think the economic issues are  
17 really important. But what about the health issues? And  
18 I think we need to look at both carefully and make  
19 adequate choices.

20           Unfortunately, when someone has asthma, they  
21 don't get a do over for their childhood. When someone  
22 dies of cancer and it could have been prevented, they  
23 don't a do over.

24           But the reality is that with business, you do get  
25 a do over. You can fail in business and start again and

1 succeed.

2           And I think that we need to figure out a way o  
3 support the business community, but we can't overlook and  
4 we can't do it at the expense of health. Thank you.

5           CHAIRPERSON NICHOLS: Thank you.

6           Steve Azevedo.

7           MR. AZEVEDO: Good afternoon and thank you for  
8 the time.

9           I'm Steve Azevedo with Knife River Corporation.  
10 We do construction, sand, and gravel production. And we  
11 also do marine construction, which means not only do we  
12 have to comply with this regulation, the off-road  
13 regulation, the portable fleet regulation, but we are hit  
14 with some of the port rules and the marine diesel rules.

15           Considering this influx of rules that we are hit  
16 with all at one time, I would like to ask you to consider  
17 the DTCC proposal which will allow us more flexibility in  
18 the early years, yet still reaching the same end goal.

19           I don't want to repeat a lot of the things that  
20 have been said, but as a couple speakers ago mentioned,  
21 the fuel consumption on our newer trucks 2007 and newer is  
22 about 25 percent greater. We track our fuel pretty  
23 closely.

24           CHAIRPERSON NICHOLS: We're not timing this one?

25           Sorry.

1           MR. AZEVEDO: Our fuel consumption is about 25  
2 percent greater with the new trucks. Which what does this  
3 mean? This means more carbon in the atmosphere which is  
4 in direct conflict with the greenhouse gas measure you  
5 passed yesterday. I haven't seen any analysis from staff  
6 on what the regulation actually does with greenhouse gas  
7 and other things.

8           So without repeating other things, that's all I'd  
9 like to say right now.

10          CHAIRPERSON NICHOLS: Okay. Thank you.

11          Rick Bettis.

12          We are back to waiting for people to come line  
13 up.

14          Okay. Steve Weitekamp.

15          MR. BETTIS: Thank you, Madam Chair.

16          Rick Bettis, I'm a volunteer member of the  
17 Breathe California Sacramento Chapter, Health and Policy  
18 Committee, and here to support the staff. I think the  
19 staff has done a wonderful professional job and urge you  
20 to adopt this measure.

21          On a personal matter, I grew up in the central  
22 valley and had several family members affected by air  
23 quality conditions. And I've lost two of them. And also  
24 I had both a brother and brother-in-law in the small  
25 trucking business. And I think they would both agree with

1 the going forward on this rule because considering the  
2 health effects and they went through good and bad times in  
3 their business but survived that. But not the health  
4 effects. So thank you.

5 CHAIRPERSON NICHOLS: Thank you, sir.

6 Steve Weitekamp, followed by Patricia Sanchez.

7 MR. WEITEKAMP: Good afternoon. My name is Steve  
8 Weitekamp. I'm the President of the California Moving and  
9 Storage Association. And on behalf of its over 550  
10 members companies, I ask that you not move forward with  
11 the implementation of this onerous regulation in its  
12 present state.

13 This program will cause an undetermined number of  
14 California small to medium-size moving companies, some  
15 family-owned for two or three generations, to go out of  
16 business. This will negatively impact a competitive  
17 marketplace that benefits the moving public.

18 I've received comments from many movers around  
19 the state. The following is a dispassionate  
20 representation of their comments.

21 Companies like ours Are being asked to dispose of  
22 equipment and assets before their useful life has been  
23 completed and purchase new equipment before it would  
24 otherwise be acquired. A combination of this proposed  
25 rule and the state of the economy have left the trade-in

1 or resale value of our equipment worth pennies on the  
2 dollar. We simply don't have the resources to access the  
3 capital to retrofit our engines.

4           If we are able to survive, we will be forced to  
5 reduce our workforce, putting further downward pressure on  
6 the economy. Our industry, with its model of low annual  
7 mileage and long equipment life, will be more negatively  
8 impacted than many and will not qualify for existing  
9 grants or loan programs.

10           In the interest of brevity and to avoid  
11 repetition, I ask that you please review the comments of  
12 the Monterey Bay Unified Air Pollution Control District in  
13 opposition to the CARB proposal. Their clear and concise  
14 resolution addresses issues that directly impact the  
15 moving and storage industry.

16           CMSA has joined with DTCC and support their  
17 alternative proposal. Even the DTCC proposal will create  
18 hardships for our industry. But companies will at least  
19 have a fighting chance to survive. Just to say you know

20           CHAIRPERSON NICHOLS: We're out of time. Sorry.

21           Patricia Sanchez, are you here?

22           Martin Ward. You're speaking for him, too?

23           MR. RHOADES: I'm only going to talk about the  
24 things that are different. Lots of points and you have it  
25 before you. He wants to focus on buses and thinks diesel

1 particulate traps are good, but only for buses that are  
2 older than 2004.

3 CHAIRPERSON NICHOLS: Thank you. You're doing a  
4 good job for interpreting for others.

5 Manuel Cunha.

6 MR. CUNHA: Good afternoon. Thank you very much.  
7 Nisei Farmers League.

8 The rule has been a long process. It's more than  
9 18 months, and I felt like it's been ten years. I know  
10 that I'm getting a little older. Maybe grayer, but I  
11 ain't accepting the gray, that's for darn sure.

12 I want to thank everybody, the staff, for the  
13 hard work.

14 I'm not in favor of it. I think anybody that has  
15 businesses has a lot of concerns. But let that be said.  
16 We have to deal with it.

17 I do want to focus on one thing I would hope the  
18 staff and the Board would be very cautious on. In your  
19 provision on page 33, you do emphasize enforcement. We  
20 will have to be very careful in agriculture, because under  
21 the Department of Labor, there is a provision called the  
22 Hot Goods Amendment. The Hot Goods Law of 1938, which  
23 deals with agriculture and its products upon when trucks  
24 are being held or not held, when products are being held  
25 based upon various issues. So I can see a problem heading

1 that way with brokers. Our agricultural brokers in other  
2 states will not have the knowledge of what's going on for  
3 the enforcement of this to make sure if a trucker is  
4 coming into one trucking house or nine packing houses.

5           So what I would ask the staff to be very cautious  
6 and work with industry on this enforcement part. I don't  
7 think the public or the business person should be  
8 responsible to enforce the regulation to know what they  
9 are as you know how complex it all is. So I would  
10 encourage you to deal with that part of it, because it is  
11 important.

12           Everybody has heard about the economics.  
13 Everybody knows where I'm coming from on the economic  
14 issue. We are a state of \$3.48 trillion that's total  
15 California's dollars, revenue dollars that makes this  
16 state. And we are 27 percent of the United States budget.  
17 So when you look at that, that's a huge amount of dollars.  
18 And I do appreciate the staff's efforts, especially Jack,  
19 for trying to work on -- trying to deal with Carl Moyer  
20 funding and all of these issues. We need to make them  
21 flexible. We need to make them work and figure out  
22 moneys.

23           Thank you for all the hard work, everybody.  
24 Thank you.

25           CHAIRPERSON NICHOLS: Dennis McFarland.

1           MR. MAC FARLAND: Madam Chair, Board, I'm Dennis  
2 MacFarland, a third generation log truck driver.  
3 Thirty-three years ago, I used \$3,000 that I had saved to  
4 buy my first log truck. That and the very friendly banker  
5 put me into the business.

6           One of the reasons I'm bringing this up is I  
7 think with this current rule as proposed we are not going  
8 to give the ability for young guys to get into this  
9 trucking business, whether it's log truck, highway truck,  
10 or whatever. And I think that's something that's really  
11 important. Without the influx of young people into this  
12 business, it's the life blood of our trucking industry.  
13 And I think this is something that really needs to be  
14 looked at. Thank you.

15           CHAIRPERSON NICHOLS: Thank you.

16           Pete Fredotovich.

17           Lan Dahn.

18           MS. DAHN: My name is Lan Dahn, and I work for  
19 the School Transportation Coalition.

20           Unfortunately, many of the school districts  
21 aren't able to attend today and could not participate in  
22 this hearing. Due to the fiscal crisis travel has been  
23 curtailed by most of the school districts.

24           For this reason I'm here on behalf Mr. Kirk  
25 Hunner, who is the CEO for Southwest Transportation, which

1 serves eight school districts in the Fresno County.

2 California ranks last in the nation in the  
3 percentage of children that, even though school buses are  
4 the safest form of transportation. He is concerned that  
5 additional regulation and mandates rules will result in  
6 fewer children riding school buses.

7 He also believes since ARB wants to improve air  
8 quality, they should do everything within their power to  
9 replace old school buses and secure additional funding for  
10 school transportation.

11 Replacing the pre-1987 buses would protect the  
12 health of our children and would be more cost efficient  
13 than traps. His experience with traps make him believe  
14 that spending money on these traps is making another  
15 cottage industry wealthy at the Ex expense of our  
16 children.

17 Thank you.

18 CHAIRPERSON NICHOLS: Thank you.

19 Alek Kress. Charlie Simpson.

20 Oh, you're Alek.

21 MR. KRESS: Hi. My name is Alek Kress. I'm a  
22 senior at Oakland High School. I have a friend named  
23 Timmy who I've known since elementary school.

24 Recently, I found out he has asthma. And yet he  
25 still plays tennis for our team. I never want to see him

1 get an asthma attack from small and large particles in  
2 diesel pollution from trucks.

3           Please consider creating and enforcing a rule  
4 that will make truck drivers and corporations retrofit  
5 their engines to reduce diesel fuel pollution.

6           Thank you for your time.

7           CHAIRPERSON NICHOLS: Okay.

8           Charlie Simpson.

9           MR. SIMPSON: Thank you, Chair Nichols and the  
10 Board.

11           Thank you for your time to speak. We felt it was  
12 really important to come today. We've been working with  
13 staff for 18 months as we've been trying to develop this  
14 rule.

15           I work for Golden State Peterbilt that sells new  
16 vehicles and used vehicles in the San Joaquin Valley.

17           E.M. Thorp is our parent company and has been  
18 around for 70 years. Started in 1935 with the purchase of  
19 one used truck. We now employ over 300 employees.

20           I had a full statement here that we were asked to  
21 prepare for the two minutes, but I'm going to back off of  
22 that in lieu of time and just bring up a couple of issues.

23           As the rule is written today, we are not  
24 approving this as it's going forward and for several  
25 reasons.

1           One is we understand the need for a rule and we  
2 want to help support that. Our problems are is that we  
3 understand the rule is needing to come, but it just  
4 doesn't do what we need to get done as far as industry.

5           With that, we would ask that the staff work  
6 together with industry even more and come up with a rule  
7 that can pass and keep people in business.

8           Earlier this year, at one of the workshops in  
9 Fresno, we found out -- or at least the staff told us that  
10 even with this rule that we would not meet our SIP  
11 requirements. That becomes a heavy issue if we don't meet  
12 the SIP requirement and we're going to put everyone out of  
13 business, what are we doing this for?

14           Last thing, SmartWay was designed as a system for  
15 the EPA and not as certain pieces that you can pull out of  
16 it. Thank you very much.

17           CHAIRPERSON NICHOLS: Thank you.

18           We're going to take a very, very short break for  
19 everybody's sake. I think we can actually do this in 20  
20 minutes, 25 minutes, and people can stretch. And we'll be  
21 back I have ten of. Let's start again at 2:15. That will  
22 be lunch. I'm sorry. 1:15.

23           (Thereupon a lunch recess was taken.)

24           CHAIRPERSON NICHOLS: Let's resume.

25           Michael.

1           MR. COLLIER: Thank you, Madam Chair and members  
2 of the Board. I have already submitted some written  
3 comments by the website I don't have much to add to that.  
4 But I do have a couple of questions and concerns that have  
5 been raised since I've been here, particularly dealing  
6 with the fairings on these trailers.

7           These fairings that are being proposed to go on  
8 the rear of a trailers will increase that trailer's length  
9 by four feet. How is that going to be reconciled with the  
10 overall length rule in the state of California? And is  
11 there any kind of provision for those of us that haul  
12 57-foot trailers already that aren't allowed to proceed  
13 past that overall length?

14           Basically what I want to know is the 300 trucks  
15 that haul 57-footers, are we going to go out of business  
16 when everyone else can still be hauling a 57-footer and  
17 essentially with these fairings?

18           CHAIRPERSON NICHOLS: There is an answer to that  
19 question which was given this afternoon. Maybe somebody  
20 wants to repeat it right now in terms of federal and  
21 state -- feds have already certified, and the State is  
22 looking at it. We'll have this resolved.

23           MR. COLLIER: What's the likelihood of the length  
24 rule being increased?

25           CHAIRPERSON NICHOLS: I think it is very likely.

1 MR. COLLIER: Thank you very much.

2 CHAIRPERSON NICHOLS: Chuck Wolf.

3 BOARD MEMBER BERG: Madam Chairwoman, wouldn't it  
4 be fair to say if it wasn't, we would have to take a look  
5 at that?

6 CHAIRPERSON NICHOLS: Absolutely.

7 BOARD MEMBER BERG: So we're not going to pass  
8 something --

9 CHAIRPERSON NICHOLS: That puts you in a bind.

10 BOARD MEMBER BERG: That the federal government  
11 or the State highway is not going to let you do.

12 CHAIRPERSON NICHOLS: Right. Okay is Chuck Wolf  
13 here?

14 Is Paul Buttner here?

15 MR. BUTTNER: Yes. Thank you. My name is Paul  
16 Buttner here representing the California Rice Producers.

17 We have about 500,000 acres of rise in the  
18 Sacramento valley. About six to 700-acre family farms is  
19 what makes up our industry. Still very much the family  
20 farm in the Sacramento Valley.

21 First and foremost, I would like to thank your  
22 staff for working so closely with us really at every turn.  
23 They diligently analyzed all of the ideas that came forth  
24 about a potential agriculture provision. They were very  
25 clear on what the limits were, what they could do and what

1 they couldn't when balancing the needs for attainment and  
2 other public health issues. Really appreciate the hard  
3 work of your staff in that area.

4           Through our meetings and discussions together, we  
5 really identified a number of issues about agriculture  
6 trucks and why they are unique and different in  
7 California.

8           First and foremost, agricultural trucks are on  
9 average eight years older than the statewide fleet. That  
10 speaks strongly to the fact we depend on used trucks to  
11 purchase in our industry.

12           These trucks are used very, very low miles and  
13 seasonally. And the vast majority of them simply go from  
14 a field to a first point of processing. For rice, that  
15 would be a field to a dryer. And all the dryers are  
16 located up in the agricultural areas. So these travel  
17 distances are very short.

18           I want to emphasize that you are not eligible for  
19 this provision unless you're going to a field first point  
20 of processing for these farmer-owned trucks.

21           We have about 22,000 ag trucks in the state of  
22 California. That's about five percent of the total  
23 statewide fleet. We are about four percent of statewide  
24 emissions from these statewide fleet of trucks. Yet if  
25 there was no provision considered by your staff, the

1 agricultural industry would have incurred almost 20  
2 percent of the compliance costs of this regulation, even  
3 though our emissions are four percent.

4           So with the provisions that your staff has put  
5 forth, we estimate our compliance costs to be about eight  
6 percent, which is still somewhat disproportionate but much  
7 better than without those provisions.

8           A few take-home points. First of all -- all ag  
9 trucks will be replaced

10           CHAIRPERSON NICHOLS: Your buzzer has just gone  
11 off. I apologize.

12           MR. BUTTNER: I heard it, but --

13           CHAIRPERSON NICHOLS: You're over. Sorry. We  
14 got to enforce this.

15           Mark Osborne.

16           Renee Pinel. Gone.

17           Laura Fultz Stout.

18           MS. FULTZ STOUT: Good afternoon. Thank you for  
19 your marathon time to this issue of the diesel truck rule.

20           My name is Laura Fultz Stout. I'm a 30 year  
21 resident of the city of Fresno. I work and live and enjoy  
22 being with family and friends in the Fresno-Clovis area.

23           There's just one problem. This region, my home  
24 town, has recently been classified as an extreme  
25 non-attainment air quality zone.

1           The family and friends and myself, our health and  
2 lives are compromised due to the extremely poor air  
3 quality.

4           My husband and I are excited to buy our first  
5 home and would like to settle down in this area. But due  
6 to my diminished ability to breathe in this area, we're  
7 faced with the choice between living there and leaving our  
8 family. Thinking about leaving friends and family is very  
9 disheartening. But one thing fortunate is we have that  
10 choice to leave this very bad air quality basin. And  
11 others are not.

12           I'm here today as a concerned resident who  
13 intentionally started to work on the air quality problem  
14 by joining the Coalition for Clean Air, a statewide  
15 organization that's been working on clean air for 37  
16 years. They recognize that the San Joaquin Valley is an  
17 area needing a focused and comprehensive plan to get the  
18 diverse resident population to cleaner air sooner rather  
19 than later.

20           Getting to the main point of my testimony,  
21 through my work with the Coalition for Clean Air, I've had  
22 the privilege to work with many truckers, about a dozen,  
23 and smart innovative San Joaquin Valley truckers and their  
24 companies. These truck companies range from produce,  
25 seasonal harvest trucks, beef trucks, and other goods

1 movement truck.

2           A number of the owner-operators of these truck  
3 companies have seen the writing on the wall over the last  
4 ten years, five years, and they're getting ready. They  
5 looked at their inventory, started making plans to  
6 retrofit or replace trucks. Some have already received  
7 funds --

8           CHAIRPERSON NICHOLS: Your time is up.

9           MS. FULTZ STOUT: Thank you. Please pass this  
10 rule.

11           CHAIRPERSON NICHOLS: Mark Matheson.

12           MR. MATHESON: Hello. I'm Mark Matheson from  
13 Matheson Trucking.

14           I'm here to only talk about on-highway trucks.  
15 As far as -- there is a lot of great testimony that's been  
16 made here. We're in favor having clean trucks not  
17 polluting the society.

18           But the concern I have is how is it going to be  
19 enforced. What we often see that is one company or one  
20 size company has to be managed. The other sizes are not.  
21 We see that with water. We've seen it with several  
22 things. And if we lose our work, a lot of it will go to  
23 other people. And I would like to know they're being held  
24 to the same standards.

25           As far as the SmartWay, we are in agreement with

1 the SmartWay. We have X1 tires. We have aerodynamics.  
2 We have a new trailer coming with the ground effects on  
3 it.

4 The thing that we have seen over the last 25 or  
5 30 years is it's not a one-size-fits-all. We have trucks  
6 that run in stop-and-go traffic. Aerodynamics don't help  
7 them a bit. And we in fact a lot of times where we've  
8 pulled them off because they get damaged.

9 One gentleman commented about the low ground,  
10 that they would have ground clearance. We've seen that.  
11 Our customers sometimes tear up our nose cones.

12 One of our largest customers is the Postal  
13 Service. They're not happy to play to replace that. So I  
14 just want to make that comment.

15 We have several trailers running across the  
16 nation with all different types of aerodynamics on them.  
17 We think it's a great thing. But we would like to see you  
18 not make it unilateral across the trucking industry.

19 Thank you.

20 CHAIRPERSON NICHOLS: Thank you.

21 Kelly McKechnie, Felipe Lopez.

22 MR. LOPEZ: My name is Felipe Lopez, and I belong  
23 to the -- well, thank you for the time. I belong to the  
24 nonprofit organization of southern California.

25 All I want to say is that there is more people

1 been affected by pollution including animals and plants  
2 than people being effected by the economic impact of these  
3 regs. I'm sorry for all these people, but I think health  
4 and environment should come first. So we are in favor of  
5 these regulations.

6 Thank you.

7 CHAIRPERSON NICHOLS: Thank you, sir. Charley  
8 Rae -- Mr. Rae.

9 MR. RAE: Charley Rae with CalcIMA, which is a  
10 California Construction and Industrial Materials  
11 Association, trade association for aggregate and ready-mix  
12 concrete producers throughout california.

13 Our members basically supply local building  
14 materials for roads, bridges, schools, highways,  
15 waterways, et cetera.

16 We're urging adoption or consideration of DTCC  
17 alternative primarily because it provides a more  
18 achievable compliance schedule. Also particularly because  
19 it has low mileage provisions which are important for a  
20 lot of local suppliers. Helped them out a lot.

21 Our members have a lot of different fleets.  
22 Different ways they're effected by this regulation.  
23 Typical fleet with the ready-mix concrete mixer truck  
24 fleets, they are typified by generally traveling short  
25 distances. Average job is within a 15-mile radius.

1 Longer turnover time. They have complex equipment that's  
2 difficult to retrofit. And they often operate under the  
3 power take-off units which reduces the engine performance  
4 and leads to plugging of the filters when they're  
5 attached.

6 In general, our members are supportive of the  
7 efforts to reduce the diesel emissions. They've been  
8 trying to do what they can. Purchasing the newer tiered  
9 engines as they can. This has come at some cost to them  
10 too because generally the newer engines you have more  
11 expensive oils. You have more expensive coolants. You  
12 have loss of fuel economy, anywhere from 15 to 25 percent  
13 as you go from one tier to the next.

14 Of course, it's all been made more difficult to  
15 get ahead of the game with the economy, credit tightening,  
16 and difficulty of getting the funds, whether it's Moyer or  
17 Prop 1B or one of the other grant programs. I know it's  
18 particularly an issue for some of our members in the San  
19 Joaquin Valley.

20 In closing, we just urge the DTCC proposal be  
21 given more consideration. One thing I think --

22 CHAIRPERSON NICHOLS: Sorry. Thanks.

23 Luz Elena Tafalla.

24 MS. TAFALLA: Good afternoon, Madam Chair and  
25 Board members.

1 My name is Luz Elena Tafalla, and I am here  
2 representing Consejo de Federaciones de Estados Mexicanos.  
3 They provide leadership training to concerned citizens for  
4 seven months. I live in community along with a lot of  
5 groups who are here with me. And we are here because we  
6 are supporting the proposed issue and CARB. Because  
7 living in the area of San Fernando valley, I can not have  
8 a good. I see hundreds of families who are contamination  
9 around us. And we consider this is very important for the  
10 health of our children, for the health of the citizens.

11 And we are expressing our concern. And please  
12 our voices. You have the power to make the decisions  
13 that's going to save the life of a lot of seniors,  
14 children, and for the health and better of community. And  
15 please hear our concerns.

16 Thank you for the time. Thank you.

17 CHAIRPERSON NICHOLS: Dr. Richard McCann, are you  
18 here?

19 Dr. MC CANN: Good afternoon. I'm an economist  
20 with the Aspen Environmental Group, and I've been retained  
21 by CIAQC to make comments on this.

22 I have written comments that I submitted on the  
23 general economic methodology on benefit estimates, impacts  
24 to individual industries and firms, and on scaling up  
25 costs of statewide impacts.

1           But I wanted to talk about two particular issues.

2           One is on the baseline assumptions that it is --  
3 you should be making comparisons across alternatives that  
4 should start with your initial assumptions. They're  
5 already in the document. And then changing those baseline  
6 conditions. And then making comparisons against those  
7 baseline conditions.

8           The DTCC alternatives takes this approach, but  
9 the staff should modify theirs to do the same thing.

10           The other thing is that you need to consider the  
11 synergistic effect with AB 32. And that's not evident in  
12 the document on the diesel in-use rule. You need to take  
13 into account the effects of VMT and changes in fuel  
14 composition from AB 32.

15           But the final thing I want to talk about is that  
16 when you move forward with implementation, you should also  
17 tie this to funding for compliance. That you basically  
18 you created a public benefit which should be funded by the  
19 public. And you've shown large net benefits. That means  
20 that you should be imposing the costs on those who are  
21 benefiting most.

22           The rule includes mandated scrappage in it which  
23 would eliminate the economic value of much of the existing  
24 equipment and most of those trucks that were purchased  
25 were purchased under the assumption that they were

1 compliant with the environmental rules at the time.

2           The Board should recognize the intent that was  
3 made by those fleet owners and should help further  
4 compliance with the rules as they change them in the  
5 future.

6           CHAIRPERSON NICHOLS: Thank you.

7           Christine Davis. Gavin McHugh.

8           MR. MC HUGH: Madam Chair and members, Gavin  
9 McHugh on behalf of the California Manufacturers and  
10 Technology Association. Thank you for the opportunity.  
11 I will be very brief.

12           CMTA is very concerned about this regulation and  
13 the impact it will have on the cost of doing business of  
14 every company manufacturing in California that receives  
15 their raw materials by truck, delivers their finished  
16 product by truck, or in any way depends on the goods  
17 movement system in California.

18           Unless a manufacturer has no out-of-state  
19 competitors and only sells within the state, they will be  
20 at a disadvantage to manufacturers elsewhere.

21           This rule will make California manufacturers less  
22 competitive because of the increased cost to receive the  
23 raw materials and the increased cost to move their  
24 products to market.

25           CMTA supports the DTCC proposal. We think it's

1 more cost effective and provides necessary flexibility to  
2 meet some of these requirements. Thank you.

3 CHAIRPERSON NICHOLS: Thank you.

4 Steve French. Mark Sisco.

5 MR. SISCO: Good afternoon. My name is Mark  
6 Sisco. I'm a heavy equipment mechanic and inventor.

7 I'm here this afternoon to ask for your help in  
8 moving forward in the building of a new type of motor.  
9 The principles have been used in high horsepower  
10 two-stroke diesels for over 70 years. I twisted this  
11 design enough to create a four-stroke engine that will be  
12 very small and compact in size and very powerful. It's  
13 now being produced for the government, for the military,  
14 and light, small aircraft in two-stroke diesel form.

15 I'm asking you folks for your help today. Thank  
16 you.

17 CHAIRPERSON NICHOLS: Okay. You can send us some  
18 further information, and we can try to get a response on  
19 that.

20 Jason Osborn.

21 MR. OSBORN: I'm Jason Osborn, Director of  
22 Transportation for Manteca Unified School District. We  
23 serve about 23, 000 students in south San Joaquin County.

24 I'm here today to relate to you that I believe  
25 this equates to a mandated cost to impose this on school

1 districts in tough economic times.

2 I would suggest that as you go forward you tie  
3 this to funding. Maybe under the Lower Emissions School  
4 Bus Program or something like that for implementation.

5 My main concern is this is going to effect  
6 students. What affect does this rule have when we take  
7 ten buses out of a rural school and replace it with 250 to  
8 300 motorists? School bus comes in, shuts down to prevent  
9 idling. These cars are going to sit in congestion and  
10 create more air quality problems.

11 I also am concerned we have a number of students  
12 in rural areas. Implementation of this rule and costs  
13 passed on to the school district will result in them  
14 losing their transportation. We simply don't have the  
15 budget to do it and are facing further cuts this year.

16 This will effect students' safety. If we remove  
17 students from school buses, the safest form of  
18 transportation and place them in private passenger cars,  
19 they will be less safe.

20 I encourage you to delay implementation of this  
21 and to look for other funding sources before you implement  
22 it. Let's not leave children behind.

23 Thank you.

24 CHAIRPERSON NICHOLS: Thank you.

25 Steve Rhoades.

1 MR. RHOADES: This is the last time.

2 CHAIRPERSON NICHOLS: Who were you this time?

3 MR. RHOADES: Riverside County. And there's just two  
4 points.

5 The first is that Riverside County as you know is  
6 a growing county. And due to the arcane school finance  
7 transportation --

8 CHAIRPERSON NICHOLS: You need to get closer to  
9 the mike.

10 MR. RHOADES: Due to the arcane school financing  
11 transportation laws, they receive very little State aide.  
12 This is not your problem. But it just shows that they do  
13 have less money to spend on buses and transportation. So  
14 they have more difficulties.

15 This is one tiny issue I would like to bring to  
16 your attention. One of their districts failed to do the  
17 annual emissions studies as required by ARB. They thought  
18 it was every two years. And so they are going to be fined  
19 I think \$18,000 with a press release.

20 And I don't know all the specifics of this. But  
21 part of the comment that was made was, well, we take this  
22 from ARB staff. We take this real serious, because we  
23 want to show everybody we're serious about this. \$18,000  
24 is still a lot of money for the school district. Maybe  
25 they should be fined.

1           But I would just urge the staff to have some  
2 appreciation for the conditions of the school districts.  
3 When people do something wrong, you should hit them and do  
4 something appropriate. But just use a little judgment.  
5 Thank you.

6           CHAIRPERSON NICHOLS: Thank you.  
7 Christine Foster.

8           MS. FOSTER: Hi. Christine Foster, Tulare County  
9 Asthma Coalition. I'm a respiratory therapist, and also a  
10 Citizen's Advisory Committee members on the San Joaquin  
11 Valley Air Pollution Control District.

12           And so you obviously know that my issues do go  
13 towards the health end of things. We have put in air  
14 quality flags at the schools. Their colors correspond  
15 with the colors of the air quality to warn parents and  
16 children when the air quality is bad so that they -- the  
17 ones that have lung issues or heart disease issues, those  
18 children can stay indoors on those days. Actually, I  
19 think that's pretty extreme that it has to be done that  
20 way.

21           But other people have had some really wonderful  
22 stories to tell, and I'm not going to focus in on that.

23           What I have noticed in our area is that the  
24 professionals don't want to come to our area because of  
25 our extreme air quality issues. We're in extreme

1 non-attainment.

2           We're also losing our professionals to other  
3 areas like the Bay Area, Oregon. And they're in the  
4 newspaper, so I know that that's backed up. So we're  
5 losing professionals. We're not attracting professionals.  
6 And our children that are being educated are moving out of  
7 the area and into cleaner areas.

8           So I just wanted to say there is an impact on the  
9 economy locally that may not have been explored yet today.  
10 And I do urge passage of these regulations.

11           But also I urge that you also work on the  
12 incentives and looking at different ways of funding some  
13 help to industry. In the San Joaquin Valley, we have the  
14 DMV fee that was raised to help fund that.

15           Thank you.

16           CHAIRPERSON NICHOLS: Okay.

17           Jacqui Hansen. Eric Sauer.

18           Oh, here, running down. Okay.

19           MS. HANSEN: Hi. I'm Jacqui Hansen, and I'm here  
20 with Breathe California.

21           And I want to urge you to adopt the proposed  
22 regulations and reduce global warming as well as toxic  
23 emissions and to do it quickly with no delay.

24           I have bronchial asthma, and I have some other  
25 health issues that were handed down to me from my mom.

1 But these things can be affected by you with, as they say,  
2 a stroke of the pen. And I would like to see my future to  
3 be without one of those canisters with a little hose on  
4 it. I really appreciate your looking at this and passing  
5 it quickly. Thank you.

6 CHAIRPERSON NICHOLS: Thank you.

7 Eric Sauer.

8 MR. SAUER: Thank you, Madam Chair and Board  
9 members, for allowing me the opportunity to speak with  
10 you. My name is Eric Sauer with the California Trucking  
11 Association.

12 I guess what we've learned from testimony so far  
13 is that ARB staff has essentially dismissed the impacts of  
14 the current economic crisis on emission forecasts with a  
15 half-baked analysis that trivializes those impacts.

16 ARB staff does not know how many trucking  
17 companies will go out of business because staff  
18 erroneously believes Prop 1B funds will prevent such a  
19 thing from happening; that the narrow restrictions on Prop  
20 1B will severely hamper their ability to relieve costs of  
21 the truck and bus rule; that the prospect of the pending  
22 truck and bus rule has sucked the current trade-in value  
23 out of used trucks and is preventing truck owners from  
24 using them to buy new trucks.

25 We feel that ARB needs to reevaluate the emission

1 inventory and re-visit that DTCC proposal. Also  
2 performance an outside economic impact study to understand  
3 the true impact of this recession. Thank you.

4 CHAIRPERSON NICHOLS: Raquel Ortega, Brian Davis,  
5 Julie Sauls.

6 MS. SAULS: Hello.

7 First, I just want to take this opportunity to  
8 acknowledge the efforts of everyone that has worked on  
9 this project.

10 I also though want to acknowledge the efforts of  
11 all the members of the DTCC coalition for all the hard  
12 work and their presence over the past two days and your  
13 diligence in listening to all of their stories.

14 I think what's important is we look at this from  
15 three standpoints. We need to look at this from the  
16 standpoint of the economy, income, and equipment. Because  
17 those are the three key factors of what we are discussing  
18 here today and have been over the course of the past two  
19 days.

20 Three things that you need to take into  
21 consideration is when the staff put out their analysis  
22 while we were in the height of our downturn, although  
23 can't stay it was the height then because it's getting  
24 worse every day, nothing was taken into account about  
25 what's going on with the current economy. Their only

1 reference was to call it insignificant. And I think you  
2 have heard over the course of the past two days nothing  
3 but a lot more than insignificant.

4           Secondly, the availability and the cost of the  
5 equipment I think there are vast discrepancies between  
6 what we have been telling you and what you have heard in  
7 the staff report. Please, I urge you to re-examine that  
8 issue.

9           I think it is extremely important that you also  
10 take into account the income levels that this industry is  
11 currently facing and their ability to make these  
12 investments. The lending institutions aren't in a  
13 position. They have been tightening down with the  
14 financial market. And I ask that that be re-analyzed.

15           Finally, I would just close and say we'd really  
16 like to work together with you as a partnership with the  
17 coalition and with the staff and the members of the Board  
18 to create a regulation that is achievable and does reduce  
19 emissions. And I thank you very much for all your hard  
20 work.

21           CHAIRPERSON NICHOLS: Thank you.

22           Is this Marshall Woodmansee?

23           MR. WOODMANSEE: My name is Marshall Woodmansee.  
24 And I want all diesel buses to become electric and diesel  
25 trucks to clean up their engines. You are not the Profit

1 Protection Agency but the Environmental Protection Agency.

2 Protect me. Thank you.

3 MS. WOODMANSEE: My name is Sophia Woodmansee.

4 I believe all buses and trucks should have a  
5 filter on their engines. We have lived across from a bus  
6 depot three-and-a-half years. It will be much more  
7 pleasant to see the buses going by and to know they do  
8 not pollute as much.

9 Thank you.

10 CHAIRPERSON NICHOLS: Thank you for coming.

11 Thank your parents for bringing you.

12 Jill Gayaldo, are you here? You got two seconds.  
13 Should be down here.

14 And then Ray Kidd right afterwards and Matt  
15 Griffin after that.

16 MS. GAYALDO: I think if we update the list we'll  
17 get people down here quicker so we know when we're due.

18 Jill Gayaldo, the Director of Transportation for  
19 the Elk Grove Unified School District serving 64,000 kids  
20 in the Sacramento County area.

21 My district's absolutely committed to clean air  
22 for my community and my kids. We have voluntarily  
23 installed 53 retrofit traps on our school buses. Every  
24 one of those were accomplished using grant funding.  
25 Clearly, if you want traps on our buses, provide the funds

1 and we'll do it.

2 I have to inject a dose of reality here. If you  
3 think this has been an easy project, you need to  
4 reconsider. There is not one day that goes by that I  
5 don't have up to ten percent of my fleet down due to  
6 repairs.

7 I think everybody needs to be aware of that so  
8 they know that is one of the issues they'll be working  
9 with.

10 An absolute priority has to be replacing our  
11 oldest school buses. California voters recently  
12 recognized how important that was and passed Prop 1B. It  
13 will provide funding for less than half of the eligible  
14 buses in the state, which are a minimum of 23 years old.  
15 There is a flaw in the assumption that school districts  
16 will replace these buses on their own. If that was the  
17 case, we wouldn't be driving them now.

18 This year, California schools are going to be in  
19 a crisis. We all know that's true. And I'm going to  
20 compete between buses and books, and I'm going to lose.  
21 If you want to have parents give these -- if I take one  
22 bus out of service, between 30 and 60 kids will be in  
23 their parent's cars on the road. And we haven't done  
24 anything for air quality and we certainly haven't helped  
25 them with safety. If you intend to mandate that we

1 replace these buses and pull them from service, you must  
2 provide the funds.

3 MR. KIDD: Good afternoon. My name is Ray Kidd.  
4 I appreciate you all hanging in there all day. And I'm  
5 from Oakland. I was glad to see the kids here from  
6 Oakland High. I graduated from Oakland High well over 40  
7 years ago.

8 For the last 35 years, I've lived in West  
9 Oakland. And for over 20 years, I drove a diesel truck.  
10 As a result of both of those, I suspect I have somewhat  
11 diminished lung capacity. And that's the way it happens.  
12 And that's too late for me, but it's not too late for  
13 those kids from Oakland High School, for their younger  
14 brothers and sisters and for their children to be.

15 An every day fact of life in West Oakland is if  
16 you are out and about, at any point you could get a snoot  
17 full of diesel fumes coming into your nose. And believe  
18 me, that's not very pleasant. And it's sometimes so  
19 irritating, you want to rub your nose off your face.

20 It's not the kind of message we want to send out  
21 to people. It's the kind that -- puts you in like a  
22 hostile competitive -- like the environment is your enemy.  
23 And that's not what people need to feel. If we're ever  
24 going to get out of the mess we are in, we've got to work  
25 with our environment.

1           And I mean, I'm down with the fact that the  
2 health rationale for these regulations is sound and the  
3 economic rationale is good. But as it was alluded to  
4 earlier that there was a ten-to-one cost benefit ratio for  
5 implementing these regulations. I think that's great.

6           I think another consideration as I brought out  
7 here is that before those fumes ever get into your lungs  
8 and before they ever get into your blood, they come  
9 through your nose. There's something we have to take  
10 account of. That people need to have clean air in order  
11 to feel good about their environment and themselves. So I  
12 hope that you go forward with these regulations. And let  
13 me say one other thing. There was -- I won't say it.

14           CHAIRPERSON NICHOLS: Thank you for coming.

15           Matt Griffin.

16           MR. GRIFFIN: Hello. Thank you.

17           I just want say I've been in the dump truck  
18 business all my life since out of high school. And I  
19 invested in efficient green trucks back in '93, and then  
20 again in 2000. And now they're virtually going to be  
21 worthless on this plan. It's not going to be worth it to  
22 retrofit. And you're going to need us.

23           I just wanted to say I hope you think about the  
24 DTCC. And that will help all of us out in the dump truck  
25 business. Because you're going to need us with flood

1 control, earthquakes. You're going to want us here. And  
2 we are not going to be here unless you consider this DTCC.

3 And that's it. Thank you.

4 CHAIRPERSON NICHOLS: All right. Thank you.

5 Michael Lewis.

6 MR. LEWIS: Good afternoon. I'm Mike Lewis from  
7 the Construction Industry Air Quality Coalition.

8 Let's talk about some facts. There is no money.  
9 We are in a recession. Fuel usage is down. Mileage is  
10 down. Revenue is down. Emissions are down.

11 None of your numbers reflect that. Your data is  
12 old. If this rule were being written today, it would look  
13 completely different. We need to fix that. The \$800  
14 truck is a myth. It was numerous last night watching your  
15 staff explain how somebody is going to buy a four-year-old  
16 noncompliant truck, spend 20 to \$40,000 on a retrofit, and  
17 then replace it a few years later. That's a bad financial  
18 decision. These guys aren't going to do that, and you  
19 wouldn't do it either. But that \$800 truck has to exist  
20 on paper or the cost balloons somewhere close to \$8  
21 billion. You need to fix that.

22 The technology isn't ready. It's not working  
23 well in the factory installed units. You heard that from  
24 the people that own them. It's really not ready for  
25 retrofit.

1           Next month you're getting an abysmal report from  
2 your staff on the retrofit availability, and you're going  
3 to extend double credit for off-road because no one is  
4 buying those limit product that is available. These guys  
5 won't fix them either. You need to fix that.

6           The billion dollar fund isn't really available.  
7 Most of the people in the room won't qualify for those  
8 funds. They don't operate enough hours. The trucks are  
9 too old. They don't meet the cost effectiveness criteria.  
10 The irony is your rules won't allow you to spend your  
11 money to do it. You expect them to spend their money to  
12 do it. You need to fix that.

13           The health benefits are grossly exaggerated. If  
14 you don't have the money to comply, your only option is to  
15 shrink your fleet. That is happening in huge numbers on  
16 the off-road fleet, and that means you dump equipment and  
17 you dump it out of state. You're merely moving the  
18 problem somewhere else. There isn't a real benefit. The  
19 problem just moved to a different neighborhood. You need  
20 to fix that.

21           Finally, there is no consideration for the  
22 cumulative effect. Construction has 75,000 trucks in this  
23 rule. It costs a billion dollars to comply if you believe  
24 the staff numbers. Add portable, off-road, and forklifts,  
25 and the cost to the construction industry alone is over \$5

1 billion if you believe the staff numbers. You need to fix  
2 that.

3 CHAIRPERSON NICHOLS: Your time is up.

4 MR. LEWIS: I beat the clock. Where's the  
5 cookies?

6 CHAIRPERSON NICHOLS: Thank you.

7 Mr. Lewis was number 128. We have 139, because  
8 two people walked in at the last minute. After number  
9 139, which is Stephanie Roche, the record is going to be  
10 closed. I'm just warning you right now that we will be  
11 closing the record at that point.

12 So if there's somebody on the road thinking about  
13 driving over and testifying because there as something  
14 you're burning to say, you can come watch. But you will  
15 not be allowed to testify. All right.

16 Dennis Fox.

17 BOARD MEMBER ROBERTS: Madam Chairman, I  
18 apologize. I know you to have leave.

19 BOARD MEMBER ROBERTS: Let me apologize to all of  
20 you after sitting here, late into the evening last night,  
21 and as late as 10:30 today I though we would have time to  
22 finish this. And unfortunately, I'm not going to be here  
23 when you complete this.

24 But I wanted to leave maybe just a couple of  
25 quick observations. Let me share some of you who are in

1 San Diego know I've shared my own personal experiences  
2 with asthma. I can speak with some knowledge of that.  
3 And I've been a strong advocate of programs.

4 I want a rule. Absolutely no question about it.  
5 My concern is that at a time when there is such incredible  
6 certainty that we are being given a lot of information  
7 with a great deal of certainty. And that distresses me.

8 For the business community, revenues are down.  
9 Mileage is down. Emissions are down. Available credit is  
10 down. Value of assets is down. And it's all being  
11 presented that somehow, you know, we can roll right  
12 through this.

13 Agriculture was given a softer glide slope. And  
14 I don't know the differences between -- the specific  
15 difference between the DTCC proposal and our own staff  
16 proposal. But it seemed to me that there was lot of  
17 similarities at least as it was presented by our staff in  
18 terms of -- and the difference didn't appear to be so  
19 great.

20 The ultimate end is identical. They both get to  
21 the same places. And I thought that perhaps there would  
22 be an opportunity and had hoped that maybe if time allowed  
23 that staff would be able to get into a discussion of the  
24 specific differences and maybe how we can tighten that up.

25 CHAIRPERSON NICHOLS: Your time it up.

1           You're a Board member. We'll extend your time.

2           BOARD MEMBER ROBERTS: Thank you.

3           That we could get into looking at some of the  
4 differences and see if there was a way to soften that  
5 glide slope a little bit. Because what I hear is that  
6 while that may not take care of everybody's problems, it  
7 may be enough to get some of these businesses over.

8           I do have some concerns about some of the  
9 retrofits that I've seen, specifically the skirts on the  
10 trucks that may have flex and what I'll call a transverse  
11 direction but not longitude direction. And I think the  
12 guy that testified about the loading ramps. And I think  
13 there are some problems there. And I can show you streets  
14 that none of those trucks could get through without  
15 destroying those skirts. And I can give you  
16 intersections.

17           So I have some concerns about stepping into  
18 programs, mandating programs that on the surface everybody  
19 should do voluntary because they save you a lot of money.  
20 And it seemed like if that was really the case, we  
21 couldn't have to mandate them. But there's something  
22 basically flawed I think and especially in some of the  
23 equipment that's being proposed.

24           So I don't have answers to all these questions.  
25 I'd like to be part of this discussion. And unfortunately

1 I can't be.

2 But I'm very concerned. I do want a rule, but I  
3 don't think we're there.

4 CHAIRPERSON NICHOLS: I'm sorry you have to leave  
5 because you have been a participant. And you've asked a  
6 lot of good questions along the way.

7 I'm hoping that the staff will take note of these  
8 questions and that we will at least get answers as we  
9 proceed to a discussion and a decision on what we're going  
10 to do. We really appreciate your -- I know this is an  
11 issue you've spent a lot of time on. I appreciate it.

12 BOARD MEMBER ROBERTS: There were only a few of  
13 us here in '98 when we declared diesels to be a toxic  
14 contaminant. We've been in this for the long haul. We  
15 want to see this. And it's not a black and white issue  
16 that some have presented. So I wish you well.

17 CHAIRPERSON NICHOLS: Thank you. Thank you very  
18 much.

19 (Applause)

20 CHAIRPERSON NICHOLS: Safe travels.

21 Already. We will proceed. I called Dennis Fox.  
22 Paul Schlenvogt.

23 MR. SCHLENVOGT: Thank you very much.

24 You did a very good job on that old German name.  
25 Thank you. I'm here representing the Washington

1 Professional Beekeepers Association.

2           One of the things that hasn't been particularly  
3 addressed here is the effect that these regulations will  
4 have on an interstate trucking company coming into the  
5 state of California.

6           And I'm aware that all the trucks will be  
7 required entering the state to meet these standards, which  
8 there's no question about it. Diesel emissions need to be  
9 improved.

10           And I have a small fleet of trucks that I bring  
11 in from out of state personally. They're fairly new  
12 trucks. But never the less, I doubt seriously they will  
13 ever meet these standards in the fashion they are being  
14 presented today.

15           In light of colony collapse disorder within the  
16 beekeeping industry, clearly the beekeeping industry has  
17 suffered. We can't afford to have increased costs. These  
18 things have all been hashed over considerably here today.

19           But I reflect upon a story as we are presenting  
20 into what could be a recession approaching the Great  
21 Depression.

22           A gentleman out of the west hauled sheep to  
23 Chicago on the rail yards with his load. When he  
24 finished, he didn't have enough money from the sale of his  
25 sheep to pay for the freight. The checks are typically

1 written two checks, one to rail freight company and one to  
2 him. He had no money. And the freight bill was left  
3 unpaid.

4 He caught a ride back to Montana. When they got  
5 there, they wanted to collect the freight bill. And he  
6 told the railroad company, I have no money. But I do have  
7 more sheep.

8 The point here of course is that we all want to  
9 take care of our families. But as we approach a poor  
10 time, there were people in these times that could not  
11 afford health care. They could not afford to put food on  
12 the table. And we are at a time when the trucking  
13 industry is the freight industry of today. And we can't  
14 afford to put it in a role where it can't bring freight.

15 CHAIRPERSON NICHOLS: Thank you.

16 William Davis, followed by Nidia Bautista.

17 MR. DAVIS: Cathlene came and got me because it  
18 take me longer than two seconds to stand up.

19 I'm Bill Davis. I'm the Executive Vice President  
20 of the Southern California Contractors Association. I'm a  
21 member of the Board of Directors for the Construction  
22 Industry Air Quality Coalition, and a very proud member of  
23 the Off-Road Implementation Group of the California Air  
24 Resources Board.

25 As a member of that group, we've been working

1 together with your staff after the adoption of a rule to  
2 make sure that the rule is implemented in a way that is  
3 effective and yet achievable for our industry. And I  
4 appreciated the opportunity. I appreciate this Board for  
5 actually making that group, which we suggested several  
6 times during the off-road discussion, a reality.

7 I also want to thank the Board for keeping its  
8 promises regarding the crane industry. December 6, 2006,  
9 our crane members met with this Board in Bakersfield and  
10 were given assurances by the Board the staff would work  
11 with the industry. They did. They've come up with a  
12 reasonable approach to this industry. We thank you for  
13 that effort.

14 I pulled a green card on this, neutral card.  
15 Because we do agree with the goals of reducing emissions  
16 from on-haul trucking. We do have questions. And I think  
17 you've heard literally 200 questions about how to do it.  
18 I don't think the rule is quite ready. I don't think it's  
19 quite prime time yet, but it's very close.

20 And my suggestion would be that as this Board has  
21 done on previous enormous rules like the off-road rule,  
22 you take a little bit more time. You bring in  
23 representatives from the environmental groups, the  
24 industry groups, and your staff, and we've worked through  
25 some of those questions that have been brought up.

1           CHAIRPERSON NICHOLS:  Sorry.  Thank you for your  
2 comments.  And we appreciate your work on the Committee.

3           Nidia Bautista.

4           MS. BAUTISTA:  Good afternoon, Madam Chair.  
5 Nidia Bautista with the Coalition for Clean Air.

6           And just want to say that it's been over a year  
7 this regulation has been workshopped.  And I think it's  
8 really culminated in one that's meeting our goals to save  
9 lives, protect health, help clean our air, at the same  
10 time provide industry with some compliance flexibility.  
11 So we are strongly in favor and supportive of this  
12 regulation.

13           That said, we are concerned about the existing  
14 provisions for agriculture.  We would like to see those  
15 strengthened.  Specifically, we're interested in  
16 protecting the small farmer.  Let's make sure the policy  
17 reflects that.  Let's provide -- ensure that the proposal  
18 changes so that there is provisions for the small farmer.  
19 If you're three or smaller fleets, ensure there is a  
20 mileage cap at 10,000 miles a year.  Making sure that  
21 we're still protecting communities from the deadly impacts  
22 of diesel pollution.  So we need those traps on ag trucks.

23           And also let's narrow that definition of  
24 agriculture trucks.  That should not include the pesticide  
25 trucks or the chemicals trucks.  That's just not what we

1 would consider the farm truck.

2           And in addition to that, I think there's concerns  
3 because that inventory is largely based on the industry's  
4 own survey data. There's also concerns about the  
5 localized impacts. And while we appreciate the language  
6 in the resolution, it doesn't go far enough. And I think  
7 those staff resources to evaluate localized impacts would  
8 be better used for enforcement. We would like to see  
9 enforcement be a key cornerstone of ARB's efforts.

10           So we do support this regulation. We're going to  
11 be working hard to get incentive funds. And many of us  
12 have been working on that and continue to be a part of  
13 that, including part of -- working with industry along  
14 with Board Member D'Adamo and others to try to find more  
15 funding. And we're going to commit it to that. We want  
16 to make sure that happens.

17           We want to ensure assistant to these truckers  
18 that may not be aware of this regulation. So we're going  
19 to be there right with you. And just know that we are  
20 strongly in favor of this. And we definitely don't want  
21 to see this regulation be delayed. If anything, if you  
22 want to evaluate in a year, year and a half, looking at  
23 the economy, we would prefer that over delaying adoption  
24 today.

25           Thank you.

1 CHAIRPERSON NICHOLS: Thank you.

2 Sean Edgar.

3 MR. EDGAR: Chair and Board members, Sean Edgar,  
4 the Executive Director of the Clean Fleets Coalition.

5 It's a pleasure to be in front of you this  
6 afternoon on behalf of both green and brown companies.  
7 The recycling and solid waste collection companies I've  
8 been proud to represent for the last eight years in front  
9 of this Board, along with the brown companies, the  
10 California Dump Truck Owners Associations that are moving  
11 a lot of the dirt that are going to create the green  
12 manufacturing and the green highways hopefully for greener  
13 equipment to make a green California. So green companies,  
14 green jobs. That's a great combination.

15 However, there are a few items I'd like to bring  
16 to your attention.

17 Over the last eight years, as your Board has  
18 passed the fleet rules, there are few observations I can  
19 tell you.

20 First of all, the past through assumptions on  
21 cost has really not occurred. In some of our individual  
22 sit-down meetings with you in the central valley, one of  
23 our members shared with several of you that had a two out  
24 of ten success ratio with the cities and counties in which  
25 that particular company does business. Not to say it

1 can't happen. It happens extremely slowly. And the  
2 assumption that automatic auto pass-through is going to  
3 occur is very nebulous and not certain.

4           And I say that after five years of implementing  
5 the rule that your Board intended and expected cities and  
6 jurisdictions and individual private companies to work it  
7 out. It's taken a long time to work out.

8           Timing is everything. And we look into the  
9 forecast now, switching to the Dump Truck Owners  
10 Association, you heard several of their members testify  
11 about their personal impacts. But just to share four  
12 specific needs. We want to be part of the \$28 billion to  
13 re-build California, but we need an extended Time frame.  
14 Why? Because the State of California possibly as early as  
15 next week will fail to issue bonds for \$660 million a  
16 week. That's State Treasurer Lockyer's words. The State  
17 because of the financial crisis may not be able to do  
18 system re-building. We need a cumulative impact analysis  
19 as Dr. Telles mentioned. 13,600 jobs are insignificant  
20 unless it's my job, and I like my job.

21           With those, thank you very much and please adopt  
22 the alternative.

23           CHAIRPERSON NICHOLS: Thank you, sir.

24           Sharon Banks.

25           MS. BANKS: Madam Chair, I'm Sharon Banks with

1 Cascade Sierra Solutions. Otherwise known as CSS.

2 We are a nonprofit organization with a mission to  
3 save fuel and reduce emissions from heavy-duty diesel  
4 trucks.

5 CSS provides low cost financing with extended  
6 terms to help facilitate the upgrade and replacement of  
7 the Legacy fleet. To date, CSS has funded over 1,600  
8 projects through our revolving fund, saving over 3.2  
9 million gallons of diesel.

10 CSS operates over at the 49er Truck Stop here in  
11 Sacramento to help truckers with grant applications and to  
12 facilitate financing arrangements. And, yes, we have  
13 several \$800 a month trucks available.

14 The truck financing program that's going to be  
15 offered here by AB 118 is going to provide assistance for  
16 some companies. But most of the customers that CSS has  
17 financed will not qualify under traditional commercial  
18 banking guidelines. None the less, CSS has demonstrated  
19 ability to collect from these companies.

20 CSS is committed to help upgrade the legacy fleet  
21 by coordinating public and private resources, helping find  
22 affordable compliant vehicles, and providing low cost  
23 financing with extended terms to California truck drivers.

24 In closing, I'd like to say CSS is willing to  
25 help the industry with whatever resources we can garner to

1 help them meet the time frames of this historic rule in  
2 the most affordable manner possible. Additional funding  
3 added into the CSS revolving fund would be a great help at  
4 this time. And we fully support the rule. Thank you.

5 CHAIRPERSON NICHOLS: Sharon, I'm going to extend  
6 your time for a minute, because I know you've been  
7 involved in the port truck rule implementation. And that  
8 was, of course, just passed -- what? A year ago or so?  
9 And although times weren't as hard in the state, I think  
10 the level of concern because we were dealing with some  
11 very old -- and very old trucks and also an industry  
12 that's characterized by a lot of very poor owner-operators  
13 that this was not going to go well.

14 So I'd like to give you a minute to talk about  
15 how that's working out.

16 MS. BANKS: There's still a lot of challenges in  
17 L.A. and Long Beach. I think with the controversy between  
18 the rules between Los Angeles and Long Beach, it's  
19 difficult for drivers to know -- especially for  
20 owner-operators to know if they're going to be allowed to  
21 be in business long term.

22 But we do have some really great projects going  
23 on down there. We've got one I just got a 4.3 percent  
24 interest rate. And this was a project that we got the  
25 shipper to help pay for the subsidy to help the drivers

1 get into cleaner trucks. And there wasn't any grant money  
2 involved. And we got the payment for the driver at \$550 a  
3 month.

4           It's innovative. But we have to turn over every  
5 rock and figure out every way we can do to help make this  
6 happen. Because it really is the right thing to do for  
7 health and for the economy long term.

8           CHAIRPERSON NICHOLS: Thank you.

9           BOARD MEMBER RIORDAN: Madam Chair. Go ahead.

10           BOARD MEMBER BERG: Before we let you go,  
11 Ms. Banks, how many truckers have you seen and how many  
12 have you ever been able to come up with solutions for?

13           MS. BANKS: We are working with a number of  
14 customers. We have 1200 Proposition 1B grants pending for  
15 our customers. Many of them are small businesses.

16           One thing that I would like to say is that we  
17 need to have a separate category in the grants for dump  
18 trucks and construction vehicles, because they always go  
19 to the bottom of the list because they don't operate very  
20 many miles, although they are very old and very polluting.  
21 And you know, we need to have a category like CARB did for  
22 the port trucks so they would only compete within the  
23 construction area.

24           But I think that might be something you consider  
25 in a future rule change. They really need help. They

1 need more help than any other industry that I've seen  
2 right now. It's just so depressing to look at the  
3 economic forecasts and see what they're faced with.

4 BOARD MEMBER BERG: So out of the 1,200  
5 applications, how many people did you see get those 1,200  
6 applications

7 MS. BANKS: We sign up just about anybody who  
8 wants to sign up. So I think we see several thousand  
9 applicants come through. And we talk to trucking  
10 companies every day that need our assistance. And we're  
11 happy that we got 215 grants approved out of the Bay Area.  
12 So they don't have the final list, but the list they  
13 proposed to the Board, there's 215 of our customers that  
14 are going to get a \$50,000.

15 CHAIRPERSON NICHOLS: Are you going to be able  
16 the stick around if we have questions for you as we move  
17 forward?

18 MS. BANKS: Yes, ma'am.

19 CHAIRPERSON NICHOLS: Thank you very much.  
20 Barbara.

21 BOARD MEMBER RIORDAN: Just a brief background.  
22 What is your funding? The administration cost, where does  
23 that come from?

24 MS. BANKS: We have a variety of different  
25 funding sources. We have some funds from the state of

1 Oregon. We have some private sector donations. We also  
2 have some supplemental environmental project dollars that  
3 are starting to help. And we have some funding from  
4 carbon credits, although not for any of the CARB-funded  
5 projects. We're not allowed to sell the carbon credits  
6 for that.

7 BOARD MEMBER RIORDAN: Do you have enough staff  
8 to go state-wide? Are you able to help people in southern  
9 California as well as northern California?

10 MS. BANKS: We have one outreach worker in  
11 southern California. And, you know, he's actually put in  
12 more than 200 grant applications there, and we've financed  
13 a number of projects in southern California.

14 But we don't have enough money to do an outreach  
15 center there yet. We got the one funded here with small  
16 grant from CARB. And with some help from the Sacramento  
17 Council of Governments. But we would love to have a  
18 facility like the one we have here in Sacramento in the  
19 Los Angeles basin.

20 BOARD MEMBER RIORDAN: This might be something  
21 that we could help with along with maybe South Coast and  
22 San Diego. Because I can see how you would be helpful to  
23 some of these individual owner-operators who just simply  
24 don't have to time to go out and hire. They don't have  
25 the wherewithal to hire any assistance. Where large

1 companies can hire -- at least they used to be hire some  
2 assistance. So you could be very helpful. Madam Chair.

3 CHAIRPERSON NICHOLS: We'll keep that in mind.  
4 Thanks.

5 Janice Kim.

6 MS. KIM: Madam Chair and members of the Air  
7 Resources Board, thank you for this opportunity to speak  
8 today. My name is Janice Kim. I'm a public health  
9 physician and pediatrician with the State Department of  
10 Public Health and formerly a medical epidemiology with the  
11 Office of Environmental Health Hazard Assessment, part of  
12 Cal/EPA.

13 Through my previous work in the field of air  
14 pollution epidemiology, I can fully appreciate the health  
15 impacts of particulate pollution on Californians.

16 Today, I'm speaking on behalf of the American  
17 Academy of Pediatrics California District. The American  
18 Academy of Pediatrics represents 5,000 California  
19 pediatricians that are dedicated to the health, safety,  
20 and well being of infants, children, adolescents, and  
21 young adults.

22 In December of 2004, recognizing the health  
23 impacts of air pollution on children, the American Academy  
24 of Pediatrics published a policy statement documenting  
25 those far-reaching impacts. This statement I was proud to

1 actually be one of the author -- lead author on this  
2 document. And the statement reviews the health impacts of  
3 air pollution in children and identified diesel exhaust  
4 particulates as an important air pollutant with  
5 far-reaching health impacts.

6 For this reason the American Academy of  
7 Pediatrics recognizes the importance of the regulations  
8 you're deciding on today to protect children against  
9 diesel exhaust particulates.

10 When I was a pediatric resident in southern  
11 California, I took care of numerous children coming into  
12 the ER with asthma exacerbations. And now the slides are  
13 showing us many of these were due to or made worse by  
14 particulate pollution.

15 We've learned from studies that have been funded  
16 by the Air Resources Board, and we really thank you for  
17 that. We have learned that through the university of  
18 southern California studies that long-term children  
19 growing up in communities with particulate pollution have  
20 increased -- impacts the ability of children's lungs to  
21 grow.

22 And these are particulate pollution -- it's not  
23 just a long-term effects. We are learning now that even  
24 very short term exposure of diesel pollution and  
25 asthmatics, two hours walking on a very busy street with

1 lots of diesel pollution can cause deficits in lung  
2 function.

3           So just in addition to ambient levels of  
4 particulate pollution --

5           CHAIRPERSON NICHOLS: I'm afraid your time is up.

6           MS. KIM: Thank you. I want to really thank you.  
7 And I know you're going to do the right thing for  
8 children. Thank you.

9           CHAIRPERSON NICHOLS: Appreciate that.

10           Sean Realite, followed by Tim Gibbs, followed by  
11 Marie Witte, and Stephanie Roche. And that will be the  
12 end.

13           MR. REALITE: Hi. My name is Sean. I'm a  
14 volunteer with Breathe California. I hope you pass the  
15 truck laws so I breathe clean air. Thanks.

16           CHAIRPERSON NICHOLS: Thank you for coming.

17           Tim Gibbs.

18           MR. GIBBS: Thank you, Madam Chair. Tim Gibbs  
19 with the National Parks Conservation Association.

20           And keep this brief. Sequoia, Kings County, and  
21 Joshua Tree National Parks have meter freeways with diesel  
22 trucks transport and massive freight running parallel to  
23 these parks. As such, these parks have among the dirtiest  
24 air in the entire National Park Service and endanger both  
25 National Park Service workers as well as visitors to these

1 parks. So we strongly support the diesel truck rule and  
2 urge you to reconsider the exemptions for agricultural  
3 vehicles.

4 Thank you.

5 CHAIRPERSON NICHOLS: Thank you.

6 Marie Witte.

7 MS. WITTE: Gentlemen, ladies and gentlemen, and  
8 other concerned people here, my name is Marie Witte. And  
9 I'm here representing Mike Roche, Incorporated, and other  
10 small businesses --

11 CHAIRPERSON NICHOLS: You need to speak closer to  
12 the mike if you can.

13 MS. WITTE: I'm here to represent Mike Roche,  
14 Incorporated, and other small businesses that stand to be  
15 decimated with the buy new trucks regulations that is  
16 being proposed here.

17 This proposal is unrealistic. In these hard  
18 economic times many businesses, both large and small, are  
19 failing at record rates.

20 CARB's goal of lowering emissions in our state  
21 might have already been achieved with the elimination of  
22 these businesses. As many of us struggle to hold on and  
23 weather this financial storm, the implementation of CARB's  
24 plan will be the final nail in our coffins.

25 We as Californians are all in favor of cleaner

1 air and have led the way. We have paid higher prices for  
2 CARB ultra-low sulfur diesel, while areas in other states  
3 run higher sulfur content at lower rates.

4           We have embraced biodiesel in our fleets with its  
5 short self life, clogging of filters, and higher prices.  
6 As CARB has cut its path to cleaner air, it is not without  
7 error. Mandated CARB diesel destroyed nearly every fuel  
8 pump in California with its lack of lubricity additives.  
9 Mandated MTVE ruined California's health, water, and soil  
10 with a product that could not be remediated out.

11           Please consider this as the next CARB error and  
12 examine the economic implosion you are proposing to  
13 mandates on California.

14           Our existing fleet burns so clean that you cannot  
15 see a hint of smoke. We are not government or  
16 multi-billion dollar corporations with unlimited funds.  
17 We will not be bailed out by the government. We are small  
18 businesses that have built this state's roads, homes, and  
19 businesses with our sweat equity.

20           The auctions are full of equipment that have  
21 built the state. This is a testimony to the people who  
22 cut their finances a little close to the best. Those of  
23 you who have planned for this economic downturn cannot  
24 weather this storm and carry these new regulations with  
25 us.

1           After more than 50 years of doing business the  
2 correct way by regulations in California, we had always  
3 expected to have a legacy business to pass on to our  
4 children.

5           CHAIRPERSON NICHOLS: Thank you. Your time is  
6 up. I see there is someone else here from your company.

7           MS. WITTE: Our plea is just to end this or  
8 postpone this today. Thank you.

9           CHAIRPERSON NICHOLS: I understand.

10          MS. ROCHE: Good afternoon. Thank you for  
11 hearing us today.

12          My name is Stephanie Roche. I'm the Vice  
13 President of Mike Roche, Incorporated. I'm the third  
14 generation of my family business involved in it today.

15          This mandated proposed will devastate our  
16 company. I run the truck stop side of it. I work hand in  
17 hand on a daily basis with small business trucking  
18 companies. They have already parked their trucks and laid  
19 off many of their employees. These companies are not  
20 large businesses that show massive profits at the end of  
21 the year. My petroleum company is not a major oil  
22 refinery that has records profits.

23          On the contrary, we are losing our livelihood.  
24 Our employees are family. We have many staff that have  
25 been with us for 20 years. Passing this regulation will

1 leave us with no choice but to move our company  
2 headquarters out of the state and lay off many of the  
3 people that we love to work with and leave them with no  
4 way to provide for their families.

5 Thank you.

6 CHAIRPERSON NICHOLS: Thank you. At this point,  
7 the public hearing portion of this meeting is now closed.

8 I would like to turn to staff. I know there have  
9 been a lot of notes taken along the way. I would like to  
10 move quickly into a discussion. So we can begin I think  
11 with your summary really of where we are right now, and  
12 then we can talk about whether there are some ideas that  
13 we may be able to discuss further about how to potentially  
14 modify the rule.

15 But let's start. I'd like to say before we get  
16 into this that I didn't hear a single person say they were  
17 opposed to clean air. I'm not surprised. Who would be  
18 opposed to clean air? Whatever position you came here to  
19 advocate, nobody is against cleaning up the air. And I  
20 appreciate the fact.

21 I also appreciate the fact that I don't think  
22 anyone, no matter how committed they are to the cause of  
23 public health, truly believes that massive unemployment or  
24 large scale bankruptcies of business are good for public  
25 health or for the economy. So I don't think we really

1 need to be having this discussion at the extreme end.

2 I think what we're talking about here is a  
3 situation where the Air Resources Board is under a legal  
4 mandate. We're under a mandate from federal law. We're  
5 under our own state law requirements. And we have a  
6 mission, because it was given to us to try to make the air  
7 better and to do so within a time frame that's laid out.

8 But I think we can also within that general  
9 mandate, we are going to be looking for every possible way  
10 to make this rule feasible and livable. Sustainable is a  
11 good word. People sometimes use that word meaning only  
12 environmentally sustainable. But sustainability is a  
13 concept that carries within it concepts of the economy and  
14 equity as well. So that's I think laid out very clearly  
15 what we're trying to do here in a general sense. And we  
16 are now going to have to get into the specifics.

17 Mr. Goldstene, do you want to do any kind of  
18 additional summing up or stating of answers to some of the  
19 questions? How do you want to proceed?

20 EXECUTIVE OFFICER GOLDSTENE: Just to say that,  
21 of course, staff have been listening the past two days  
22 about Board member concerns and questions and from the  
23 stakeholders. So we've prepared some clarifications and  
24 some suggestions on how we can get the debate started.  
25 And then this will be very short, about eight slides.

1 Eric.

2 (Thereupon an overhead presentation was  
3 presented as follows.)

4 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

5 WHITE: Thank you, Mr. Goldstene.

6 In response to Dr. Sperling's questions about  
7 SmartWay certification, we wanted to point out there are  
8 worldwide standards, automotive standards available and  
9 are in place to evaluate trailers and tire efficiencies.  
10 The tractor efficiency evaluation are at the present  
11 qualitative.

12 Next slide.

13 --o0o--

14 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

15 WHITE: Staff talked to EPA staff, and they are working on  
16 a new procedure and they expect that one will be finalized  
17 and available by the end of 2009.

18 We are planning to report back to the Board at  
19 the end of 2009 as well with an update on the status of  
20 the procedure and what option are available should one not  
21 be complete by that date.

22 Next slide.

23 --o0o--

24 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

25 WHITE: There's a number of questions that were raised

1 regarding some of the financing. I think we heard quite a  
2 few numbers about what the actual financing cost would be  
3 for loans for trucks. And so we wanted to provide some  
4 examples about the various types of financing and the  
5 dollars that would be needed.

6           The first column, the one titled "New Shows." I  
7 think what we heard about what the financing cost would be  
8 for a new truck about \$2500 a month. We also wanted to  
9 show some examples about how that financing can be --  
10 those costs can be brought down through the use of grant  
11 money and anywhere in the range of \$910 per month for a  
12 brand-new truck that was financed over ten years which can  
13 be brought down substantially using the used  
14 three-year-old truck with a grant to about \$640 per month.

15           And the last column shows what some of the small  
16 fleets may face. A five-year-old-truck is what would be  
17 needed for a small fleet to meet the compliance  
18 requirements. And what we see there is about \$800 per  
19 month.

20           We heard from Ms. Banks about the types of loans  
21 that they are issuing which are right in the range of  
22 this. So you can see the importance of both used trucks  
23 and the reduced costs they provide as well as the ability  
24 of financing to bring down those costs substantially from  
25 new truck financing prices.

1 Next slide.

2 --o0o--

3 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

4 WHITE: Staff also realized that we didn't do the best job  
5 yesterday making it clear in our response to Supervisor  
6 Roberts's questions about how the changing economy is  
7 effecting emissions from the trucking fleet.

8 We do have and are evaluating the data necessary  
9 to understand what is happening in the industry and its  
10 impacts on emissions.

11 As Supervisor Roberts noted, there are several  
12 key questions that need to be answered. What is the  
13 impact on vehicle mileage? What is the impact on vehicle  
14 turnover? And which vehicles that are not being turned  
15 over are being used last? Are they the dirtier vehicles  
16 in a fleet or cleaner vehicles in a fleet?

17 We do have good data on the first two. And we  
18 actually get that data on a very regular basis and  
19 continually look at that as part of our ongoing work.

20 But what we don't know at this point in time is  
21 which vehicles are being used less? Are they the older  
22 vehicles in the fleet or newer vehicles in a fleet?

23 So what we are proposing to do is to come back in  
24 the next year and report on what is the economy's impact  
25 on the trucking industry and their activity and how any

1 changes in that are affecting emissions.

2 Next slide.

3 --o0o--

4 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

5 WHITE: So this leads into three suggestions that we have  
6 for the truck and bus regulations.

7 The first is to report to the Board by the end of  
8 next year on the state of the economy and the trucking  
9 industry and its impact on emissions.

10 We are also proposing a credit for downsizing.  
11 This was part of the staff's proposal yesterday, but I  
12 think with everything everybody was absorbing it wasn't  
13 really picked up on. But we are proposing a credit for  
14 downsizing that essentially would provide a one-year  
15 extension for a vehicle in a fleet for each vehicle that  
16 was retired early, which would extend by year the  
17 compliance needed for that vehicle by a year.

18 Next slide.

19 --o0o--

20 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

21 WHITE: We're also suggesting that we could extend the  
22 small fleet provisions by a year, which would provide an  
23 additional year for small fleets to meet the first  
24 compliance requirement in 2014.

25 You would have to cleanup requirements prior to

1 that date. And it would provide greater access to  
2 available funding in both the Carl Moyer Funding and the  
3 Prop 1B program

4 CHAIRPERSON NICHOLS: And your definition of  
5 small fleets again?

6 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
7 WHITE: Three vehicles or less.

8 CHAIRPERSON NICHOLS: Have you been tracking the  
9 comments from the school bus people at all? Did you have  
10 any thoughts about that particular issue given the  
11 cutbacks in funding that the schools are experiencing  
12 right now?

13 ON-ROAD CONTROL REGULATIONS BRANCH CHIEF  
14 KITOWSKI: Yes. We have been tracking the comments from  
15 the school bus school districts. And primarily the  
16 comments are focused on a number of different areas.

17 One area I think we wholeheartedly agree with  
18 them is we would like to get for funding. We'd like to  
19 turn over the oldest buses quicker, and we'd like to work  
20 with them to try to achieve that funding.

21 And we have as part of the Lower Emission School  
22 Bus Program received funding seven of the last eight  
23 years. So even in tough times, we've found the ability to  
24 get some funding and make that available to school  
25 districts.

1           We do disagree on one point that the school  
2 districts often have an emphasis. They would like the  
3 newer buses. They would like the funding to replace the  
4 older buses. As we said in our analysis, we can bring ten  
5 buses into compliance with particulate filters for the  
6 same cost as we would spend to replace one bus. And we  
7 think that is a better use of the funding, the \$200  
8 billion that's available. We have the ability to put  
9 retrofits on every public school buses with the money that  
10 we already have.

11           And so we would recommend the shift in funding  
12 more towards retrofits and use with the existing funding  
13 and then use the local funding, the AB 923 Department of  
14 Motor Vehicle funding, in order to help replace and then  
15 try to get new funding by the 2018 deadline.

16           CHAIRPERSON NICHOLS: It's a really tough issue,  
17 because I think as several people testified, any business  
18 or any entity would rather go with newer vehicles and turn  
19 over the oldest ones, but get brand-new things as opposed  
20 to putting on retrofits.

21           But this is a fleet that stays around for a long  
22 time. And the oldest ones are still being operated and  
23 they're very dirty. And the exposures to the kids riding  
24 in them as well as other people are extraordinary.

25           So it does seem as though it's an area where we

1 have to go against the culture and try to get people to  
2 understand that this is a public health provision and that  
3 we really have to take action if we're going to do  
4 something to effect the health situation.

5 I'm going to stop for a moment and let Board  
6 members react to this. I think the idea of extending the  
7 time and basically this downsizing credit. Let's talk  
8 about that for a minute. That's for small fleets, right:

9 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

10 WHITE: Yes. That would apply to any fleet that is  
11 shrinking but getting smaller through the retirement of  
12 vehicles. That is correct.

13 CHAIRPERSON NICHOLS: That's what we hear is  
14 happening. We have to be realistic about that.

15 What that says is that in a down economy, you're  
16 going to get a year's compliance on the trucks that you  
17 have on a truck-by-truck, one truck per truck basis.

18 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

19 WHITE: That's correct. For every vehicle you retire,  
20 another vehicle in the fleet could be delayed by a year.

21 BOARD MEMBER BERG: That would be both in PM and  
22 in NOx?

23 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

24 WHITE: Yes.

25 BOARD MEMBER RIORDAN: When would that start?

1 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

2 WHITE: The 15-day changes we had initially proposed would  
3 have had that start on January 1st of 2009. I think we  
4 heard the number of vehicles and fleets that are  
5 downsizing today that we may want to be a little more  
6 retrospective in that date.

7 BOARD MEMBER RIORDAN: I think that's a very good  
8 idea. Because I suspect some of that is being done as we  
9 speak. But they ought to get credit for. Because we have  
10 assumed that truck would be on the road and emitting, and  
11 now it's not.

12 EXECUTIVE OFFICER GOLDSTENE: The 15-day change  
13 proposed January 1st, 2009, as Eric just said, and we  
14 looked at this and thought we could go back six months  
15 prior the that to the July 1st, 2008, when we can start  
16 counting credit.

17 BOARD MEMBER D'ADAMO: I have a question.

18 What's the window on the other side? I hear you  
19 saying you'd go back as far as when it would kick in.  
20 What does early mean on the end side?

21 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

22 WHITE: Early would be in advance of any of the  
23 requirements.

24 I'll ask Tony if you have some thoughts about  
25 what the impact may be in terms of a point in which we

1 started to have some issues.

2 MR. BRASIL: The way we proposed in the 15-day  
3 change is if your fleet is smaller from the date that we  
4 had proposed in January 1st of 2009, if your fleet is  
5 smaller in the future year, that credit would apply. And  
6 it doesn't matter when you retire that vehicle. It could  
7 have been this year that would serve as the same credit in  
8 your compliance year.

9 CHAIRPERSON NICHOLS: Can I bring us back to the  
10 issue that has been the division? I don't know if you  
11 brought the slide back again, but there was a lot of  
12 reference to the counter position, the counter suggestion  
13 by the DTCC.

14 And the reason why staff has not entertained that  
15 proposal -- your objection to the proposal was it didn't  
16 get us the amount of reductions we needed in the year that  
17 we had to be achieving those reductions to meet our SIP  
18 requirements. And that's the bottom line here is that  
19 that is what this is about. It's not just that we are  
20 trying to get cleaner air. It's that we have to get  
21 cleaner -- a certain amount of reductions in tons in a  
22 certain year in order to satisfy the legal requirements.

23 Does this proposal do that? And if so, can you  
24 explain how that works?

25 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

1 WHITE: I think this proposal would. Because if you look  
2 at the requirements of staff's -- the proposed regulation,  
3 it would effectively have about a 50 percent replacement  
4 to 2010 technology by 2014. And we would have -- all of  
5 the vehicles would have the retrofits on them.

6 So even if a fleet shrinks by 50 percent, we  
7 would still get to where we needed to be in terms of those  
8 credits would be exhausted and now they would be cleaning  
9 up the remaining vehicles by 2014. So I don't think we're  
10 going to sacrifice benefits by offering this proposal.

11 CHAIRPERSON NICHOLS: Can I turn to our SIP guru  
12 here. Ms. Terry, you're the one who's the guardian of  
13 this as far as our EPA submittals are concerned.

14 And we certainly heard especially from the San  
15 Joaquin Valley, but also from the South Coast, people  
16 remember very clearly that we extended their deadline and  
17 bumped up their level of non-attainment to make them an  
18 extreme air quality area. And we told them we were going  
19 to do everything we could to get there faster than that.

20 But recognizing what we're in at the moment, is  
21 this going to allow us to meet the commitment that we  
22 made?

23 DEPUTY EXECUTIVE OFFICER TERRY: Yes. Just  
24 briefly. It's important to note that this rule is by far  
25 and away the most significant rule in the SIP and that is

1 for both PM2.5 and for ozone in both key regions, the  
2 South Coast and San Joaquin valley.

3           The attainment deadline for PM 2.5 in both  
4 regions is 2014 and the dates for ozone are later. So the  
5 legal test is do we achieve the tons we need by 2014? And  
6 as proposed, it does meet that requirement.

7           CHAIRPERSON NICHOLS: Well, yes. Go ahead.

8           BOARD MEMBER TELLES: With this reduction plan,  
9 it seems to me it would be hard to calculate what you're  
10 going to get when you don't know how many trucks are  
11 actually going to be reduced. So how can you make a  
12 statement we're going to get closer to our SIP plan if we  
13 don't know how many trucks are going to be reduced by a  
14 reduction? It's a totally unknown number.

15           Anybody out there know how many trucks we're  
16 going to reduce?

17           EXECUTIVE OFFICER GOLDSTENE: Maybe it would be  
18 helpful if we finished the staff presentation.

19           CHAIRPERSON NICHOLS: I'm sorry. I thought you  
20 were.

21           EXECUTIVE OFFICER GOLDSTENE: We had a few more  
22 slides related to --

23           CHAIRPERSON NICHOLS: There was a pause that led  
24 me to believe you were finished. Why don't you go ahead  
25 and lay out your ideas. I apologize.

1 EXECUTIVE OFFICER GOLDSTENE: I stand corrected.

2 That was the last slide.

3 CHAIRPERSON NICHOLS: So we're just trying to  
4 answer the question. Thank you.

5 This is why I get to be the Chair, because of  
6 those kind of blinding insights.

7 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Dr.  
8 Telles, the way we structured it is that except for the  
9 few exceptions that are in there, like the ag program and  
10 some of the specialty vehicles, is that all the trucks by  
11 2014 would have filters on them. So we know that's the  
12 goal. It will still be met.

13 The change we're suggesting is to just sort of  
14 back-end load this a little bit. So we would have small  
15 fleets not having to do anything until just the year  
16 before that compliance deadline.

17 CHAIRPERSON NICHOLS: In other words, you're  
18 pushing it back as far as you can possibly can. What's  
19 going to happen is assuming we continue on this path and  
20 nothing else changes that in the year before the deadline  
21 there is going to be an awful lot of people rushing in to  
22 get filters.

23 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: And  
24 there's some risk in that. And there's some delay in the  
25 public health benefit detail occurring in the year before.

1 But from a SIP standpoint it will get us all the reduction  
2 we need. Vehicles will be turned over. In the case of  
3 the small fleets, they'll be doing the retrofits just  
4 before the deadline.

5 CHAIRPERSON NICHOLS: And the trade, off they get  
6 more time.

7 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: In this  
8 case, if there were five percent of the vehicles compared  
9 to today were sidelined because of the economy, those are  
10 essentially zero emitting vehicles. And these ones with  
11 filters on them come to be very close from a PM standpoint  
12 at least to being zero emitting vehicles.

13 And so all of them, whether it's partly sidelined  
14 and the rest operational or whether the economy is  
15 recovered and we have them all back in work again, we'll  
16 have the lower emissions at least for the directly emitted  
17 PM by 2014. And that's our first deadline we have to  
18 face.

19 So I don't think there is really any uncertainty  
20 what the end result is. Even though there's uncertainty  
21 in the exact number of vehicles that will be out there.  
22 We can't predict that. We don't know what -- the economy  
23 could be booming or could be still in the doldrums at that  
24 time. We don't really know.

25 BOARD MEMBER TELLES: The suggestion by reducing

1 by one vehicle -- and maybe Eric mentioned what type of  
2 vehicle. A fleet may have one truck that travels between  
3 10,000 miles and another truck that travels 500,000 miles.  
4 If you take the one truck out that's not being used too  
5 much, it doesn't get you too far on your plan if you just  
6 delay it a year. See what I'm saying?

7 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: The  
8 point is it does delay just one year. If you look  
9 two years, we'll basically caught up. So what it does is  
10 give you more time to take the action on the vehicles that  
11 you do still have in your fleets. But it's only one more  
12 year time for each one you drops. So well before 2014  
13 would still in a position --

14 CHAIRPERSON NICHOLS: The problem with the DTCC  
15 proposal wasn't that it didn't get you to the right end  
16 point. It was that it got you to the end point too late  
17 to meet the Federal Clean Air Act. And what your proposal  
18 is designed to do is to drop the line down just in time.  
19 So push it to the last second, basically. I mean, that's  
20 really what it boils down to as far as I can see.

21 BOARD MEMBER BERG: And to speak to Dr. Telles's  
22 two points, on the downsizing, would it be a fair  
23 assessment that we would really gain some emissions  
24 because -- reductions because they in fact downsized  
25 sooner than the rule required?

1           So if they're downsizing now and they didn't have  
2 to do anything until 2011 or 2010, we are actually gaining  
3 those emissions, even though they're getting one credit.  
4 But the credit would be taken whenever the requirement  
5 would be; is that correct? So they're downsizing in 2008.  
6 They didn't to have do anything until 2010. Do we in fact  
7 gain that 18 months of reduced emissions when they're  
8 going take to credit in 2010?

9           CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well, I  
10 think yes we do. Only caveated by the uncertainty of  
11 we're not sure which vehicles are going to be downsized  
12 and which ones will be delayed. So there could be, as Dr.  
13 Telles says, some difference in the VMT of those amount of  
14 travel of the vehicles and things like that.

15           BOARD MEMBER BERG: That's true with the rule all  
16 together, because the rule does not discern between those  
17 lower mileage vehicles, lower in relationship to the  
18 higher miles vehicles. So that's true in the rule  
19 regardless.

20           But I think my observation is that I don't see it  
21 as an emissions disbenefit doing this credit.

22           CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: No.

23           BOARD MEMBER BERG: It think it will be an  
24 emissions benefit.

25           CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think

1 the disbenefit we were talking about was pushing off  
2 everything for small fleets by one year. In one year,  
3 that would have a disbenefit.

4 BOARD MEMBER BERG: Right. I was really focusing  
5 on the credits.

6 CHAIRPERSON NICHOLS: Ms. D'Adamo.

7 BOARD MEMBER D'ADAMO: I would just say I rely  
8 heavily on staff's charts. In the original staff  
9 presentation, there are three slides, 33, 34, and 46 that  
10 provide information on the baseline compared to the rule  
11 under NOx, same issue on PM.

12 And then there is a many comparison on slide 46,  
13 the industry proposal compared to staff's proposal  
14 compared to the baseline.

15 So what would be helpful for me -- I favor  
16 flexibility. And I think that what staff is proposing  
17 sounds like, you know, any additional lead time or  
18 flexibility you can provide would be terrific.

19 My only question is, do we hit the deadline? And  
20 it sounds like what Ms. Terry is saying, we hit the  
21 deadline in 2014 for PM, and then ozone 2017 for the  
22 valley. And it's the same date for South Coast. I think  
23 Sacramento even had some concerns they wanted to make sure  
24 that we need the rule for Sacramento as well.

25 DEPUTY EXECUTIVE OFFICER TERRY: The Sacramento

1 plan will come to you in a couple of months. We've  
2 ensured the numbers work for Sacramento as well.

3 BOARD MEMBER D'ADAMO: As long as the deadlines  
4 are met, I think the flexibility is a good idea.

5 CHAIRPERSON NICHOLS: Yes, Dr. Balmes.

6 BOARD MEMBER BALMES: Well, this may sound like  
7 heresy coming from somebody who's been and will continue  
8 to be a strong public health advocate. But I actually am  
9 concerned about some of the testimony I've heard about the  
10 economic impacts, just as much as I'm concerned about  
11 maintaining public health and air quality.

12 And to me, there's kind of a fundamental equity  
13 issue that I'm going to bring up if nobody else will. I  
14 noticed that the agricultural stakeholders were not  
15 thrilled but sort of at least reasonably happy with the  
16 proposal because of the flexibility that is allowed for  
17 small -- for low mileage uses.

18 And you know, a logger or a body load truck  
19 operator from northern California who also has low  
20 mileage -- I guess I'm sorry, but I don't see why they  
21 should be treated differently than the agricultural  
22 community.

23 So I realize that it would push us with regard to  
24 our SIP commitments, but it would be helpful to me to see  
25 an analysis. Could we provide some flexibility for

1 smaller truck operators with low, low mileage in other  
2 areas outside of -- other sectors outside of agriculture  
3 in attainment areas? I don't propose that for any of the  
4 out of attainment.

5 CHAIRPERSON NICHOLS: Any loggers in Los Angeles  
6 are out of luck.

7 BOARD MEMBER RIORDAN: I would concur with you.  
8 In attainment areas, is there something that we might do?

9 Now I know in talking to staff some of the trucks  
10 will qualify that we're talking about in agriculture.  
11 They would be in that category. But perhaps there are  
12 others that you just mentioned.

13 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
14 WHITE: Well, I guess there's a couple questions here.

15 One is can the low use mileage exemptions that we  
16 have there, could they be increased? As we develop the  
17 regulation, we looked at a number of higher mileage  
18 thresholds to gauge what's the sensitivity on emissions  
19 associated with higher thresholds.

20 And I'm going to ask Michael Benjamin who did  
21 that analysis for the staff to go through what some the  
22 findings were on looking at that.

23 MR. BENJAMIN: We did indeed look at mileage  
24 thresholds, not just for the agricultural fleets, but for  
25 all of the other fleets that we identified in the

1 inventory which was quite specific. And so we looked at  
2 them at both above 5,000 mile thresholds and below. We  
3 looked at it in terms of different fleet sizes. And so we  
4 have a good sense numerically of what the impact would be  
5 if we chose to provide other provisions for other fleets.

6           And I think that certainly as we move forward  
7 with the rule, one of our constraints was the SIP  
8 commitment. And so from a technical perspective, staff  
9 have done the analysis. We have a sense of what the  
10 emission impacts would be of these various provisions.  
11 And so we would be willing and prepared to fold that in if  
12 the Board choose to provide provisions for some of the  
13 either fleets.

14           CHAIRPERSON NICHOLS: Are you capable of  
15 discriminating based on what air basin the fleet is  
16 located in though? Because that's really what the issue  
17 is here. I think the Board members who are concerned  
18 about equity -- and I think we all are certainly aware of  
19 the fact that there is something that does kind of put a  
20 particular target if you will on agriculture if they are  
21 just defined as being this unique industry. And I think  
22 there was a reason -- I mean, the staff did come up with a  
23 rationale which perhaps you'd like to restate just so you  
24 remember it.

25           But I do think that if we're talking about making

1 distinctions based on something that's within the Board's  
2 ability to deal with, whether you're in attainment or  
3 non-attainment area is pretty fundamental. So it would be  
4 good to be able to answer that question.

5 MR. BENJAMIN: I think you raise a good point,  
6 Chairman Nichols.

7 We're continuing our work to improve our spatial  
8 allocation of trucks. It's extremely challenging. Unlike  
9 light-duty vehicles who travel primarily within their  
10 county or air basin of registration, it's very clear to us  
11 as we develop this inventory that trucks operate very  
12 differently.

13 Our assessment at this time is that the heavy,  
14 heavy-duty trucks, oftentimes they'll travel throughout  
15 the state. Not just in their air basin of registration.

16 The medium heavy-duty trucks tend to stay within  
17 their air basin of registration. So we do have some  
18 initial sense based on surveys of what the truck travel is  
19 like.

20 But quite honestly, this is a major issue for us.  
21 And we're working on it with an extensive field program as  
22 part of the next SIP development. And so it is something  
23 that we have an initial understanding of, but that we need  
24 to do some more work.

25 CHAIRPERSON NICHOLS: How fast are you likely to

1 have some better inventory data?

2 MR. BENJAMIN: Our objective is to have  
3 preliminary results in the next six months. And we will  
4 be releasing the next update to the EMFAC model in early  
5 2010. And this is going to be one of the most critical  
6 updates to the model is assumptions about spatial  
7 allocation of trucks. So we have been investing  
8 significant resources in the field study.

9 In addition, we've been working very closely with  
10 Caltrans. As I mentioned yesterday, we have a variety of  
11 methods for estimating truck VMT. We would look to work  
12 with them and are doing so to have consistent VMT  
13 estimates if possible.

14 We're also working with regional transportation  
15 planning agencies like SCAG to be able to use their models  
16 to estimate what the truck VMT is. So we recognize that  
17 this is a critical issue. And we've invested and are  
18 investing a lot resources to improve our estimates.

19 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
20 WHITE: If I can clarify one thing. The regulation  
21 already provides for vehicles that are operating  
22 exclusively in those areas. In other words, they're not  
23 contributing to poor air quality, ozone issues or PM  
24 issues in other regions, the ability to not or the  
25 opportunity to delay the replacement of their vehicles

1 through 2020 with only requirement that they put on  
2 particulate filters.

3           So the issue really comes down to whether or not  
4 there is a need for particulate filters in those regions.  
5 And that really gets to issues associated not so much with  
6 ambient air quality, but around issues associated with  
7 localized risk.

8           CHAIRPERSON NICHOLS: Yes.

9           BOARD MEMBER TELLES: Now we are talking about  
10 inventory a little bit. And I have an inventory question  
11 from the San Joaquin Valley Air Pollution Control  
12 District.

13           To hit our 2014 PM attainment goal, we need to --  
14 from the SIP plan or from the truck rule, we need to get  
15 like 60.6 tons of NOx. It's not in your documents. It's  
16 from the San Joaquin Valley. Maybe on page 33 of your  
17 document, somewhere in there what you suggested.

18           But at any rate, what I'm getting at is how solid  
19 is that information? In our district with the most  
20 polluted -- one of the most polluted and probably the most  
21 polluted?

22           The reason why I bring that up is we've had a lot  
23 of people talk about ag with the exemption and all that.  
24 Paul Baker, I think he was the rice person, indicated that  
25 from the -- he actually made an error. I would like to

1 correct him. He mention that had the total pollution from  
2 ag vehicles according to your inventory is four percent.  
3 Total statewide pollution is actually 2.1 percent for NOx.  
4 And half of that is actually in the San Joaquin Valley.  
5 From my calculations on this, if we totally eliminated the  
6 ag fleet in the San Joaquin Valley, we are still about 90  
7 percent off from attainment of the NOx to kind of get to  
8 the PM. It's not in there. I'm just kind of in my head.

9           So to me, in our area, if those numbers are at  
10 all right, you know, one of the problems we have is  
11 there's 80,000 trucks that go through our valley. And  
12 were those accurately considered? And are we really going  
13 to get to attainment if we do this, or was that -- how  
14 solid is that inventory?

15           MR. BENJAMIN: Well, one of our biggest  
16 improvements in terms of understanding truck traffic in  
17 the valley is previously we assumed all the trucks  
18 traveling through the valley were the same age. And now  
19 we're recognizing and we reflected in this inventory the  
20 fact that they are very different in their ages and that  
21 there's a lot of VMT, a lot of vehicle miles traveled from  
22 trucks that are passing through the valley and that are  
23 newer.

24           And so we are recognizing and we are accounting  
25 for the fact that there is a population of trucks within

1 the valley that are resident to the valley that are a lot  
2 older.

3           We heard testimony from witnesses about the  
4 trucks being 17 years old for ag trucks. That's indeed  
5 the case. So we are reflecting that. There is a lot of  
6 truck traffic through the valley from out-of-state trucks  
7 that are three or four years old. So we believe that we  
8 have reflected and are reflecting in the inventory the  
9 diversity of truck traffic through the valley.

10           DEPUTY EXECUTIVE OFFICER TERRY: Perhaps I could  
11 just offer a bit of an overview, because it really does  
12 come back to the fundamental inventory as a whole for the  
13 attainment demonstration for this SIP.

14           And as I mentioned, the reason why this rule is  
15 the most significant new rule is because fundamentally the  
16 largest category of emissions in both the South Coast and  
17 the San Joaquin Valley is heavy-duty trucks. And that's  
18 followed by passenger vehicles. And then you tier down  
19 from there, when you're looking at NOx which is the key  
20 pollutant for both PM2.5 and ozone.

21           So a lot of work was done during the development  
22 of this SIP to really hard work on getting improved  
23 inventory emissions for all the categories. That isn't to  
24 say we're done. We always improve the inventories. It  
25 was a very thorough vetting of all the emission categories

1 during the 2007 SIP process. So it's best we have. And  
2 it's very clear heavy-duty trucks are large and  
3 significant.

4           What we have learned, just to highlight in the  
5 rule development that's happened post adoption of the 2000  
6 SIP, is a better understanding of those newer, cleaner  
7 interstate trucks traveling through the valley and the  
8 number of trucks and the miles traveled with the older  
9 dirtier trucks in the valley.

10           So as a result, the real benefits of this rule  
11 are accruing from the captive truck fleets within the  
12 valley. And that's the thing that we have learned since  
13 the inventory was adopted.

14           CHAIRPERSON NICHOLS: Okay. Other areas of  
15 comments?

16           I want to get into the financing issue too before  
17 we reach any final decisions on any of this. Ron.

18           BOARD MEMBER LOVERIDGE: Help me out. Back to  
19 the slide on the economic. I just want to know what kind  
20 of economic analysis we're talking about. You had this  
21 economy and free fall. A comment this is the worst since  
22 the Depression. As we listen to the testimony today,  
23 yesterday, a sense of dominos happening all across the  
24 state. We look not very far from our place and see \$40  
25 billion deficit of the state, which they don't seem to be

1 very doing a good job of even looking at.

2           What are we going -- there was another -- I'm not  
3 looking for the 12 highest cities. You had what you were  
4 going to do.

5           HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

6 WHITE: Well, what we wanted to show on that slide first  
7 of all is that a lot of the data that we need to collect  
8 to do that evaluation we currently have in place.

9           But what we plan to do is to look at how vehicle  
10 mile traveled are going to change over the next -- over  
11 the course of the next year, how vehicle purchasing is  
12 changing over the course of the next year, and get a  
13 better sense from registration information from the  
14 Department of Motor Vehicles so we can look to see whether  
15 or not the fleet is changing in terms of its age  
16 differently than what we've estimated. So we can get a  
17 sense of are older vehicles, which fleets may choose to  
18 get rid of their older vehicles first because they're less  
19 reliable. Are those the vehicles fleets are getting rid  
20 of. Or are they getting rid of newer vehicles That  
21 they're still making payments on, because they can no  
22 longer afford to make the payments on the vehicle. We'll  
23 get a sense of what is happening.

24           That's the key question for us to understand  
25 whether emissions are going up or going down or are

1 continuing along as we've estimated.

2 CHAIRPERSON NICHOLS: Okay. What I want to focus  
3 on was really the continuing questions about useful and  
4 accessible the financing mechanism that we're talking  
5 about are. Clearly, the amounts of money that are  
6 potentially available are substantial, although they  
7 certainly don't cover the whole cost of compliance with  
8 the program.

9 And there's the philosophical questions about,  
10 you know, whether you try to spend it all now quickly  
11 because it's a kind of stimulus and also because it's a  
12 way of then making the case that more money is needed.

13 There's also been some suggestions about  
14 alternative ways to get some additional money into the  
15 system, which I think would be a good idea, although I  
16 don't think anybody thinks the Air Resources Board all by  
17 itself could do them. But there may be some ability on  
18 our part to influence that in the Legislature, because  
19 obviously this is an issue that's of great interest to  
20 people statewide and to legislators as well.

21 And then there's the just the question from an  
22 administrative perspective what are we doing to really  
23 organize the funds in a way to make it clear we're going  
24 to have to have a system set up on day one when this rule  
25 starts to hit or six months in advance of day one that

1 will enable people to come in and quite seamlessly figure  
2 out how much money they can get and get it.

3           So is that Jack? Probably your call here.

4           ON-ROAD CONTROL REGULATIONS BRANCH CHIEF

5 KITOWSKI: I can start this off.

6           You know, there's a number of factors wrapped  
7 into this. And we have engaged a variety of different  
8 people with expertise, many of whom, several of whom  
9 you've heard from today, Mike Papanian with the State  
10 Treasurer's office and the financial ties they have to the  
11 banks to get the loan program or tying straight into a  
12 well-established loan program and well-established banking  
13 mechanism to alleviate some of the credit crunch basically  
14 the entire world is seeing right now. The Sharon Banks  
15 model Cascade Sierra you heard toward the end of the  
16 testimony is also one where we're looking to tap into as  
17 well and expand. I think the Board seemed to express that  
18 that was a good idea.

19           We've traditionally for the last ten years when  
20 we've operated incentive programs, it's been, you know,  
21 somewhat of the bureaucratic model. We've gotten the  
22 money. We've got it into the air district's hands. Air  
23 districts release RFPs, Request for Proposals. They send  
24 it out. We recognize that. We completely recognize that.

25           At a time when you're oversubscribed four to one,

1 maybe that's all you needed to do at that time. And as  
2 was mentioned before, at a time when most of the people  
3 who are coming in for the funding, they had environmental  
4 people on the staff who could apply and take the time to  
5 work through this process.

6 We completely recognize that's not where we're at  
7 today. We're appealing to a different class. We've had  
8 many meetings with individual banks, individual truck  
9 dealerships. And we are planning an outreach plan that  
10 will tie all of these pieces together: The loans, the  
11 voucher program, and incentive with a streamlined process  
12 that we talked about yesterday as well, working with truck  
13 stops, working with dealerships. Places where these  
14 individual owner-operators already come. They can ask  
15 questions. They'll have the information available with  
16 streamlined procedures.

17 CHAIRPERSON NICHOLS: I think we need more.

18 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

19 WHITE: I think as we look at this, we don't need to  
20 re-create the wheel. There's several programs that are  
21 already in place that we are partnering, whether it's the  
22 Treasurer's office, whether it's the Cascade Sierra  
23 Solutions that are effectively handing out money in the  
24 way that we've proposed to handle this for this program  
25 for this rule.

1           So by doing that, by taking the money we have and  
2 building on those models, I think we have a high level of  
3 confidence that we'll be able to have a successful  
4 program, to be as successful as other programs are today  
5 in doing exactly what we're proposing.

6           BOARD MEMBER RIORDAN: Madam Chair.

7           CHAIRPERSON NICHOLS: Yes, please.

8           BOARD MEMBER RIORDAN: If I may make a  
9 suggestion. And I realize these are not easy economic  
10 times. But sometimes you can take from existing staff at  
11 least to dedicate an individual to work with everyone,  
12 your office with our key staff people under the diesel  
13 rule, and then those who are going to access this  
14 financial assistance. At least somebody who serves as an  
15 ombudsman to make sure that it's happening.

16           And I'll tell you why I think it's important. I  
17 was very interested in some of the off-road diesel efforts  
18 and some of the programs that we had, particularly in the  
19 South Coast, for demonstration products of the off-road  
20 diesel effort. Okay. Wonderful idea.

21           I got involved initially and then discovered we  
22 had a one little hick-up. And that was when we did the  
23 contracts with the individuals that were going to utilize  
24 these demonstration devices, we had some difficulty. And  
25 all of a sudden, you know, we kind of were not moving as

1 fast as I would like to move. I would like to move right  
2 along.

3           So I think we need to say we have to have  
4 somebody that's responsible for seeing that all of the  
5 wheels are moving along, the outreach, all of that. And I  
6 would hope that we would be smart enough to figure out how  
7 to go about it.

8           CHAIRPERSON NICHOLS: Yeah. Well, I mean, my  
9 limited experience in this area is that everything that  
10 can go wrong, will go wrong. And it won't be the things  
11 that you expect.

12           BOARD MEMBER RIORDAN: Exactly.

13           CHAIRPERSON NICHOLS: So we better be organized.  
14 We are dealing with an industry that doesn't have staff.  
15 I know the fact that so many people have come and spent so  
16 much time with us is attributable to two things.  
17 Obviously, the rule is important. And also the fact they  
18 got time on their hands at the moment. If they had  
19 something better to do like be out driving and making  
20 money, they would be there instead; right? So hopefully  
21 that will happen.

22           BOARD MEMBER LOVERIDGE: Mary, just want to  
23 follow-up on Barbara's point. Perhaps every two months we  
24 ought to have report to this Board about the financing and  
25 what's happening so it's not just simply something we do

1 today, but that we keep it center ring.

2 BOARD MEMBER RIORDAN: Well, that sort of  
3 person, that point person that Ombudsman could do that  
4 easily for us.

5 BOARD MEMBER BERG: As a caveat to that, I'm  
6 especially concerned that I'm making a leap when we're  
7 talking about the amount of funding, whether it's grant --  
8 particularly in grants. Are we talking about that we can  
9 help 25 percent of people, 75 percent of the people?

10 Because my sense is is that we're over sold. Are  
11 we going to be over sold in the grant situation as well?  
12 And so what are we doing about the remaining people?  
13 Those are the people we were hearing from today, is that  
14 what are we going to do about that?

15 BOARD MEMBER BALMES: Could I make a follow-up  
16 point to that going back to the equity issue?

17 So I understand the way we currently administer  
18 the Prop 1B Program, the Carl Moyer Program, that we try  
19 to get the biggest project for our buck. So we're  
20 targeting heavily used trucks in the worst areas.

21 But I don't think we can have our cake and eat  
22 it, too. We're asking drivers -- low mileage drivers,  
23 relatively low mileage drivers in non-attainment areas to  
24 also make significant investments in their trucks. And  
25 yet from what I heard, they're not able to access the

1 funds. So, you know, if we are requiring them to do  
2 something that's going to put them out of business, you  
3 know, that doesn't seem like we're getting -- it's the  
4 most cost efficient way to do this. Either the rules have  
5 to be relaxed for them or they have to get an equal share  
6 at the trough. And I realize there's not enough money.

7 BOARD MEMBER TELLES: You said non-attainment. I  
8 think you meant attainment areas.

9 BOARD MEMBER BALMES: Yeah. Thank you.

10 I understand where -- I'm not charging staff with  
11 the impossible. But I'm trying to point out that we are  
12 asking a lot out of people that don't seem like they have  
13 access to financing.

14 BOARD MEMBER D'ADAMO: I have a follow-up between  
15 these two questions.

16 Ms. Berg was asking what percent will be covered.  
17 And Dr. Balmes, the issue of cost effectiveness in current  
18 regulation. If you play out the extension of time the ag  
19 community gets and that the attainment areas get on low  
20 miles, on low mile trucks, at that point would we be in a  
21 better position to be able to advocate for significant  
22 changes in the grant programs so that we can relax the  
23 cost effectiveness? In other words, would we already have  
24 a pretty good percentage already taken care of through the  
25 bulk -- the main portion of the rule?

1 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well,  
2 there's a couple of considerations here.

3 One is the amount of money that's actually grant  
4 type money which is giving money to people is on the order  
5 of ten percent of the cost of the regulation. And then  
6 we've got another unit about the same size that is low  
7 cost loans. So that's not money giving away. But just by  
8 way of helping people get loans that maybe can't get loans  
9 today. And that's mainly focused at the smaller  
10 businesses who have difficulty getting loans. So those  
11 are the two packages we have.

12 You're right. It doesn't in any way come close  
13 to paying for compliance. And in fact some of the moneys  
14 have restrictions on that. You have to do things earlier  
15 than required in order to get access to the money. And  
16 that's true in the Carl Moyer and on the loan program as  
17 well. And those are statutory restrictions.

18 So we don't have flexibility just to pay for  
19 compliance. And if we did, it would be a relatively small  
20 fraction.

21 So what we tried to do is focus the money on  
22 those that need it the most and those that can step  
23 forward and do something early right now.

24 But if it's the Board's desire to make changes,  
25 for example, give more consideration to people in rural

1 areas that have to put filters on or give consideration to  
2 this argument about giving consideration to dump trucks  
3 because they have so much difficulties in complying in the  
4 special vehicles, et cetera, some of the things can be  
5 done through the guidelines we'll be bringing to you in  
6 the spring, the Prop 1B -- that's not a dump truck one --  
7 but for port goods hauling and for Carl Moyer and the loan  
8 program. But it's got these other -- there's some  
9 restrictions we can't deal with.

10 CHAIRPERSON NICHOLS: Well, also your assessment  
11 of the cost of this rule I think is correctly based on  
12 compliance, meaning now through 2014.

13 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well  
14 actually now through 2023. But it is front loaded and of  
15 the cost -- a lot of the costs are going to occur by 2014.

16 CHAIRPERSON NICHOLS: But suppose we decided we  
17 want to spend the entire in 2009 or by the end of 2010.  
18 We just decided that's the best way to do it is to  
19 jump-start the program, get the biggest bang for the buck,  
20 the oldest trucks off the road earliest and everything  
21 with a filter on it and go for broke. Could we do that?

22 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well, I  
23 think we're limited to the amount of money per year we  
24 get. So the Carl Moyer Programs are you spend the money  
25 you get each year.

1 CHAIRPERSON NICHOLS: So you're thinking just --

2 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: That  
3 would happen. But there would be money for every year  
4 until 2014 or '15 when that program ends.

5 The 1B money is coming in pretty much over a  
6 four-year period. We're in year two now. Front-end  
7 oriented.

8 And the loan program is a one shot deal right  
9 now. Although we have the ability to each year to take  
10 some of the 118 moneys that are providing the loan  
11 guarantee and dedicate that to loans. Like the first  
12 year, we dedicated all of it to loans.

13 But so we are kind of front-end spending. But we  
14 keep getting installment payments from the government that  
15 each year. I don't know any way that we can -- no way we  
16 can pull that forward and ask for twice as much this year  
17 and not any next year.

18 CHAIRPERSON NICHOLS: The Legislature would have  
19 to agree.

20 BOARD MEMBER BERG: And the Carl Moyer covers  
21 other things other than trucks as well. So it's not  
22 100 percent.

23 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: The 140  
24 million wouldn't go all to trucks. It pays for some other  
25 early actions as well and for areas that we don't regulate

1 as thoroughly, like ships and locomotives and things like  
2 that.

3           BOARD MEMBER BERG: So kind of, you know, I kind  
4 of feel like this is a discussion with my teenagers. One  
5 dollar gets spent ten times. And so I can't quite get a  
6 handle on exactly how much we're talking about and how  
7 much of the problem we're going to be able to address.

8           CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think  
9 the staff had a realistic expectation that we were never  
10 going to be able to pay for compliance. It was simply the  
11 moneys were not there for that.

12           We are quite amazed we were able to come up with  
13 a billion dollars of various types of financial  
14 instruments. If you look at it that way, it's been a  
15 great success compared to what we had with the off-road  
16 rule where we just had a little bit of Carl Moyer money.  
17 On the other hand, if you look at it how do we -- it would  
18 be nice if we could pay for all of it, we are obviously  
19 restricted from doing that with the moneys we do have.

20           BOARD MEMBER BERG: I'm sorry, Chairwoman. That  
21 comes full circle to both Ron Roberts and Dr. Balmes and  
22 several of us here is that we're in a situation where the  
23 economy is down. Those \$800 payments outside of loan  
24 programs and down payments through the grants and  
25 incentive money, how are these people going to comply with

1 the rule? And we kind of come full circle again.

2 CHAIRPERSON NICHOLS: Well, I think the concept  
3 here is that we phased in the requirements for compliance  
4 over a period of time as well. So we're not asking  
5 everybody to be complying this year or next year. And so  
6 we're counting on the fact there's some time to build up  
7 both the fund and the inventory of trucks that are in  
8 compliance and that we will be in a position to get a  
9 better economy working in our favor.

10 But there's also some opportunities. And this is  
11 where I know Dr. Telles has had some thoughts. And I  
12 think one or two of the people who testified had some  
13 thoughts about ideas about ways that you could fund  
14 compliance with this rule, given the public health  
15 importance of the rule.

16 So would you care to discuss this?

17 BOARD MEMBER TELLES: Well, it's not my original  
18 idea. It came from the great county of Mendocino. When  
19 we were talking to a group from Mendocino, one of the  
20 fellows there suggested -- I hate to use the tax word --  
21 but a tax on diesel fuel could generate a lot of revenue.  
22 And I kind of did a little figuring.

23 If we estimate there's 17 billion vehicle miles  
24 traveled and six miles per gallon, to get to \$5.5 billion,  
25 it's 20 cents on diesel per ten years. Just having such a

1 small tax. If you want a billion dollars, it's four cents  
2 per gallon. I mean, there's ways to do that.

3 Now that obviously takes legislative action. But  
4 if you look at this, in our area our region if you believe  
5 the Jane Hall report I think for the total savings of the  
6 state, it's like 29 billion. And in our region, it's six  
7 billion.

8 The only problem with those savings is nobody is  
9 coming up front and saying we're going to save money so  
10 we're going to give the truckers \$5 billion to take care  
11 of this. It's a societal saving. And I would think this  
12 would be one way to generate some money slowly, somewhat  
13 slowly. But some funds that we can help mitigate some of  
14 the cost of the this.

15 I don't know if that's well received with the  
16 trucking community. Obviously, it's pay as you go. And  
17 with all the considerations that the high haulers will be  
18 paying more than the low haulers, but it's just an idea to  
19 think about.

20 I think if we get to the point where we don't  
21 have enough funds to do this, I would encourage the  
22 environmental health community and the trucking community  
23 to get together and walk across the park and start asking  
24 for some help in that way.

25 CHAIRPERSON NICHOLS: Well, I think we're kind of

1 at a point where we have to begin to make some decisions.  
2 And I think the main message I think -- I'm sorry. Excuse  
3 me. I didn't -- go ahead.

4 BOARD MEMBER SPERLING: The discussion about the  
5 greenhouse gas rules as part of it. There was the slide  
6 that was put up about the SmartWays Program. So I did  
7 want to just kind of close that discussion and see if  
8 there might be a small change made.

9 The issue was raised about the lack of scientific  
10 credibility or measurement with the cabs part of the  
11 SmartWays Program. I guess we're reassured that there's  
12 at least some amount of measurement going on with the side  
13 with the fairings and the skirts, but not with the cabs.

14 So in the spirit of good government regulation  
15 grounded in science, I was wondering if how we might  
16 handle it in such a way that we postpone or put in pending  
17 form the cabs part of that regulation until we have a  
18 better reassurance -- reassurance or establishment of  
19 better measurement protocol by EPA that will be used for  
20 the SmartWay Program for cabs.

21 CHAIRPERSON NICHOLS: Actually, we haven't talked  
22 about the GHG rule at all. We probably should. Can we do  
23 that separately? I mean, we do have to talk about it.  
24 But -- well, we can do it now.

25 I had some concerns about things that were not in

1 the rule that were raised by Mr. Anair that suggested that  
2 you know in a way the bite we're taking may not be nearly  
3 as ambitious as it could be if we're really trying to get  
4 GHG savings. And they look very cost effective, although  
5 again there's money to be spent.

6 But I'd like to hear staff's comments on whether  
7 they want to make any modifications, because they didn't  
8 raise that at all.

9 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think  
10 our first recommendation in those slides -- go back to the  
11 very first one -- was to track what EPA is doing. We went  
12 and talked to EPA last night to make sure we understood  
13 what they are up to. And they are trying to come up with  
14 a more rigorous SAE-like procedure for the cabs. And I  
15 asked will you have it done by the end of '09, which would  
16 give time -- because you don't want to start the  
17 compliance until into 2010. And the answer was that's  
18 their expectation, but no guarantee. So that created in  
19 our mind a good way of doing that would be --

20 CHAIRPERSON NICHOLS: Couldn't caveat it it  
21 wouldn't take effect unless there was an SAE or equivalent  
22 standard?

23 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: That we  
24 could look at that and come back to the Board with what we  
25 thought the solution would be to the situation.

1           The possible solutions would be EPA comes up with  
2 a procedure and everything is okay. It's now on the same  
3 degree of rigor as the trailer components.

4           Or it could be they didn't get it done. And  
5 perhaps it's only a procedural thing. And maybe we could  
6 adopt it in some way.

7           Or there's just a bunch more work to be done.  
8 And at that point maybe it suggests that we defer or delay  
9 that provision.

10          And we could also probably have a better  
11 assessment at that time for you what exactly does the  
12 qualitative procedure mean. I don't think it means that  
13 you're going to get a tractor that doesn't improve  
14 greenhouse gases. What it means is that between the  
15 various manufacturers maybe not a rigorous comparison from  
16 one manufacture to the other. You might buy a SmartWay  
17 from one manufacturer that isn't a whole bunch better than  
18 a SmartWay from another manufacturer. That could happen  
19 under -- because the way they structure it is compared to  
20 the other equipment of a manufacturer.

21          But the more rigorous proposal would take care of  
22 that. I think we're on track to do that within a year.

23          So it would be our recommendation that if you're  
24 going to go ahead and adopt this rule, we adopt it and  
25 come back and make a mid-course correction if necessary at

1 the end of next year before people have to get into the  
2 point of actually buying any equipment.

3 CHAIRPERSON NICHOLS: Well, I think the Board  
4 would feel more comfortable if we, in addition to asking  
5 for a report back, made it clear that we don't intend to  
6 impose that piece of it, unless there's a procedure that  
7 staff is willing to certify. And in fact is of the same  
8 caliber as the other tests. That's not worded as artfully  
9 as it could be, but I think you could turn it into a  
10 resolution.

11 BOARD MEMBER SPERLING: Could I make a broader  
12 response to what you were saying earlier. I'm a strong  
13 proponent of aggressive policy on greenhouse gas. But you  
14 know, this heavy-duty area makes me very nervous. We're  
15 moving on this as an early action item, but in truth  
16 there's not much good data. We're doing it in a very  
17 piecemeal prescriptive way. And you know I always like to  
18 see more of a performance-based approach to it.

19 And EPA is -- the latest energy legislation told  
20 them they should start moving forward towards regulating  
21 heavy-duty vehicles in terms of fuel economy and  
22 emissions. And in hopefully with the new administration  
23 that actually will happen.

24 And so somehow I think we need to be working more  
25 closely with EPA on this overall issue. I guess I'm going

1 to be a little conservative in terms of how I respond to  
2 the UCS proposal in saying, yes, we want to be very  
3 aggressive, but we want to be do it in a more robust way.

4           So I usually wouldn't propose this, but I say  
5 let's go slow on this one in terms of any further action  
6 with the idea that eventually we will get a very strong  
7 program and hopefully a national program that we can work  
8 with.

9           CHAIRPERSON NICHOLS: But in terms of the down  
10 payment that was proposed when we adopted the Discrete  
11 Early Actions, you're comfortable this one is good enough  
12 to move forward on?

13           BOARD MEMBER SPERLING: With the caveat about the  
14 caps.

15           CHAIRPERSON NICHOLS: That's helpful. Thank you.  
16 Okay. Back to the truck rule.

17           BOARD MEMBER BERG: Chairman Nichols.

18           CHAIRPERSON NICHOLS: I was just recognizing Ms.  
19 D'Adamo.

20           BOARD MEMBER BERG: I'm so sorry.

21           BOARD MEMBER D'ADAMO: I have a couple of just  
22 minor items, hopefully minor. I like the suggestion that  
23 Granite Construction has regarding a courtesy inspection  
24 program. Seems to be a lot of confusion out there.

25           The truck industry is subject to a number of

1 different regulations. And I'd like staff to -- I don't  
2 know if it could be included in this regulation or if  
3 staff could bring a program back to us at a later time.  
4 And then I also --

5 CHAIRPERSON NICHOLS: I agree with that one, by  
6 the way. I would second that.

7 BOARD MEMBER BALMES: I would third it.  
8 Especially when an employer says they like the Cal/OSHA  
9 program. We want to see it replicated.

10 CHAIRPERSON NICHOLS: We want to know how that  
11 worked.

12 BOARD MEMBER D'ADAMO: So there's nodding heads  
13 on that one. Good.

14 On enforcement, I don't believe staff talked much  
15 about it. But what can we do -- there's a lot of people  
16 that are going to go the extra mile and spend a lot of  
17 money on this regulation. And enforcement is just  
18 crucial.

19 The concern I had I think somebody talked about  
20 the idling regulations and had some criticism about lack  
21 of enforcement. So, of course, for those that are  
22 complying, it's frustrating when you hear about someone  
23 that's not complying. And idling is a small action in  
24 terms of compliance. This rule is going to be huge in  
25 terms of compliance.

1           So what can we do to make sure it's being  
2 properly enforced in particular with the trucks coming  
3 from out of state?

4           CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well, I  
5 think we're actually in better shape on this rule relative  
6 to the other rules. For example, idling which sound  
7 simple means you have to go out and find the person that's  
8 idling and time it. And in some cases for the sleeper  
9 rule, that means someone has to prowl around at 3:00 in  
10 the morning at a truck stop. That's difficult.

11           But we do have an enforcement program now, and  
12 we've had one for more than ten years now for smoke  
13 inspections, which are done at the weigh stations coming  
14 into California. That deals with primarily out-of-state  
15 trucks.

16           And then we also do targeted inspections like at  
17 ports and places where there's a high density of trucks.

18           So when they do those inspections, they can  
19 either do inspections for this rule or for all of the  
20 rules at the same time.

21           So this is a matter of sort of incrementing the  
22 enforcement on the on-road truck where in those other  
23 areas we had to start a new enforcement program and do it  
24 differently than we are doing now. So I think we're  
25 pretty good shape to be able to --

1           CHAIRPERSON NICHOLS: Are we not considering a  
2 report to the Legislature at our next Board meeting, which  
3 we would be considered this time if we had enough time,  
4 that deals with the enforcement of all of our diesel  
5 rules? It's an AB 233 report. And they've asked us for  
6 very specific detail, not only about the mechanisms, but  
7 about what kinds of equipment and what personnel we need  
8 to do that.

9           So although I doubt this is a year where we're  
10 going to be asking for or receiving lots of additional  
11 resources, the Legislature has always focused on this  
12 enforcement issue as one area where they were willing to  
13 look at giving us more resources even in bad budget times.

14           CHIEF COUNSEL PETER: With respect to the Bay  
15 Area Enforcement, which was the person that testified, the  
16 Bay Area Air Quality Management District has expressed  
17 extreme interest in stepping up on their idling  
18 enforcement. So our enforcement division has been working  
19 with them. And they actually are doing it on their own  
20 nickel. And we're providing them training. And they are  
21 going to step up very aggressively on idling in the Bay  
22 Area.

23           And with respect to San Joaquin, they also wanted  
24 to do it so we have a pilot program with respect to that  
25 on enforcement where we are actually paying them for their

1 inspector's time, which is a cost effective way of doing  
2 it. That will be dealt with. It's mentioned in the AB  
3 233 report you'll hear.

4 I just wanted to address that. Because I agree  
5 the idling is more difficult, but we're starting to get  
6 our arms around it.

7 CHAIRPERSON NICHOLS: To the extent there is  
8 competition in the industry, someone who isn't complying  
9 has a competitive advantage over someone who is paid and  
10 is complying.

11 So I think it's really important that we use all  
12 of the mechanisms that we have available to us which do  
13 include civil penalties and pretty serious litigation if  
14 we want to do that.

15 CHIEF COUNSEL PETER: Right. We could take  
16 affirmative action against firms.

17 But what is being referred to today was the  
18 specific people idling in neighborhoods. And once again,  
19 that's where we are coming up with a program where we're  
20 utilizing the local air districts to assist us, and  
21 they're very interested in doing that.

22 CHAIRPERSON NICHOLS: I was referring back to the  
23 Granite Construction testimony.

24 CHIEF COUNSEL PETER: You're right. Even playing  
25 field is critical.

1 CHAIRPERSON NICHOLS: But you're right. We did  
2 hear from some very concerned citizens as well.

3 BOARD MEMBER TELLES: Since we're talking about  
4 enforcement, one of the testifiers mentioned that the  
5 companies that would be hiring fleets will be responsible  
6 for making sure that fleet is compliant.

7 What would the mechanism be that they would be  
8 able to do that? And what would the penalty be if they  
9 don't do that?

10 BOARD MEMBER BERG: I think's on the SmartWay.

11 BOARD MEMBER TELLES: No. It's page 33.

12 BOARD MEMBER BERG: On the on-road?

13 BOARD MEMBER TELLES: Yeah. It's page 33,  
14 Section B, how does the regulation apply to motor  
15 carriers, brokers, and dispatchers?

16 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
17 WHITE: Let me explain that a little bit more.

18 One of the things we intend to do on that is as  
19 fleets report to us, they're reporting operating numbers  
20 they commonly have, whether their motor carrier permit  
21 number, their number from the Public Utilities Commission,  
22 some other operating permit that they received that allows  
23 them to legally be in commercial business in the state.

24 So we'll collecting that information as part of  
25 the reporting requirements. And this is actually

1 something that we developed in conjunction with the  
2 industry as a way to improve the enforceability of the  
3 regulation.

4           What we will do is collect that information and  
5 make that available on-line. So somebody can go and look  
6 to see whether or not a fleet they want to hire is  
7 reported to be in compliance with the regulation. And  
8 that's as far as it's going to go. Check on a web page,  
9 make sure the fleet they're hiring has been reported as  
10 compliant. If they are, that hiring company has no  
11 further obligation.

12           BOARD MEMBER TELLES: They don't have to go out  
13 and inspect the truck?

14           HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
15 WHITE: No, they do not. Simply a check.

16           CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: That's  
17 true on the SmartWay. It's the same way. I think that  
18 was not clear yesterday from the discussion. But that's  
19 the way it would work.

20           BOARD MEMBER BERG: On the off-road rule, we were  
21 going to actually issue compliant cards or some kind of  
22 compliant document saying that a company was in compliance  
23 with the off-road. Almost like your insurance card. And  
24 so --

25           HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

1 WHITE: The intent is a similar approach with this.

2 CHAIRPERSON NICHOLS: Okay.

3 BOARD MEMBER BERG: I just had a couple other --

4 CHAIRPERSON NICHOLS: Sure.

5 BOARD MEMBER BERG: One comment was made on --

6 although it doesn't seem to be a big issue over the next

7 couple of years. Never the less, adding to fleets. Why

8 can't we report addition to fleets on an annual basis

9 rather than every 30 days to the Executive Officer?

10 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

11 WHITE: Vehicles won't to be reported every 30 days. The

12 reporting requirements is just once a year.

13 BOARD MEMBER BERG: Okay. Great.

14 And then retrofit performance standards, I think

15 it's critical that we have information that truly explains

16 performance standards to duty cycles so that operators can

17 make good decisions as to whether to retrofit an existing

18 vehicle or to buy a new/used vehicle and retrofit that,

19 because that will give them the duty cycle.

20 And so I don't know if this is an outreach issue.

21 But I'd really like you to take note of that. And I think

22 it's a critical area. Because otherwise, we're going to

23 hear horror stories about how things don't work.

24 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

25 WHITE: I think we can certainly fold this into our

1 planned implementation efforts for the rule.

2 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: If you  
3 were referring particularly to the retrofit devices like  
4 filters, not the SmartWay stuff --

5 BOARD MEMBER BERG: Yeah. Specifically.

6 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: We do  
7 have that. Each EO is on our website. So it explains  
8 exactly what the device was certified to, the percentage  
9 reduction, the level, and also says what engine families  
10 it is applicable to. And what temperature requirements is  
11 needed from the exhaust when you monitor that to make sure  
12 it works. So that is on the website now. I think  
13 everybody knows how to access that. But we're going to  
14 try to make it more friendly in the future I think as  
15 well.

16 BOARD MEMBER BERG: I understand that. But I  
17 think to a layperson that is not a mechanic to be able to  
18 go in and look at, is that going to give me eight hours,  
19 or am I going to need to regenerate after four hours? Am  
20 I going to need two filters because my engine runs hot?  
21 So those are the types of things.

22 I think we're simplifying it a bit, which is  
23 leading people to believe that they go and buy a filter  
24 for their particular vehicle because it's on there that  
25 they're going to get the duty cycle that they're currently

1 running. And I think that's of issue.

2 EXECUTIVE OFFICER GOLDSTENE: We can make sure  
3 that the information that's available has that added so  
4 everyone understands how to calculate the use of a  
5 particular device within their own business operation in  
6 simple to understand terms.

7 BOARD MEMBER BERG: And then finally, on the  
8 economic update, I think if we were to treat the economic  
9 update like we did the technology update for the off-road  
10 rule, so we truly came back with not only economic data  
11 but anecdotal data.

12 So I would like to suggest that we have some  
13 workshops where we truly hear from people that are  
14 applying to the various programs that we have and make  
15 sure that we're getting that money available to them and  
16 that we know how many are applying and how many are we  
17 being able to service. And then also hearing other  
18 financial impact, just like we would on the technology  
19 review that we're going to get in January. So when you  
20 come back to us a year from now that it really would be a  
21 full report both data wise and anecdotally wise what's the  
22 reality of what's going on on the ground.

23 And then finally, I would like to see in the  
24 attainment areas, I do believe that both PM and NOx is  
25 very important. But because it's in attainment areas, I

1 believe we can get both through allowing them to focus on  
2 the NOx. Let them go through and not have -- be hit twice  
3 for cost.

4           So it would be my desire to see that in  
5 attainment areas that we would allow the individuals to be  
6 under the NOx rule, which at the end of the day will also  
7 take care of the PM once they all get new trucks.

8           HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

9   WHITE: Just to clarify, Board Member Berg. The  
10 suggestion is is that early PM requirements would be  
11 harmonized with the existing NOx turnover date?

12           BOARD MEMBER BERG: Correct. Only in attainment  
13 areas.

14           HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

15   WHITE: Only in attainment areas. Okay.

16           BOARD MEMBER RIORDAN: Madam Chair, could the  
17 staff put up their recommendations on the diesel items?  
18 I've forgotten what slide number that was. Your suggested  
19 revisions.

20           While they're putting that up, maybe to focus --

21           CHAIRPERSON NICHOLS: I agree. I was waiting for  
22 someone to do it.

23           BOARD MEMBER RIORDAN: I don't know that I can do  
24 all of it.

25           But it would seem to me that we might move

1 forward by adopting those that the staff has recommended,  
2 along with the last that Member Berg suggested with others  
3 of the attainment area -- and I'm trying to think if there  
4 are -- the enforcement -- there's some enforcement --

5 CHAIRPERSON NICHOLS: Direction.

6 BOARD MEMBER RIORDAN: Direction and financial  
7 direction, financial assistance direction.

8 Are we missing anything else?

9 BOARD MEMBER D'ADAMO: Courtesy inspection  
10 program.

11 BOARD MEMBER RIORDAN: Courtesy inspection.

12 BOARD MEMBER BERG: Was there anything on the  
13 school bus?

14 CHAIRPERSON NICHOLS: I wasn't --

15 EXECUTIVE OFFICER GOLDSTENE: You didn't make  
16 any --

17 CHAIRPERSON NICHOLS: I didn't make any request,  
18 because I couldn't come up with a good answer.

19 BOARD MEMBER BERG: Could we add the school bus  
20 to the economic, specifically have an area -- a focus on a  
21 school bus within the economic review so that we can  
22 monitor that very carefully?

23 EXECUTIVE OFFICER GOLDSTENE: Yeah.

24 CHAIRPERSON NICHOLS: Yeah. I have a broader  
25 concern. I don't exactly understand which districts

1 operate their own buses, which of them rent out to other  
2 contracts. Whether the contract buses, because they're  
3 operated by private fleet owners, are cleaner or not. You  
4 know, these are things that you sort of would like to know  
5 before deciding how to go about tailoring a regulation. I  
6 don't feel that we've really ever looked at that.

7 BOARD MEMBER BERG: Could we ask for that  
8 information to come back in a year?

9 CHAIRPERSON NICHOLS: I think we should. Good  
10 plan.

11 BOARD MEMBER RIORDAN: That would be included,  
12 but I would like to move forward on this.

13 And I move that -- recognizing that I know our  
14 legal counsel is going to want us to do ex partes at some  
15 point in time.

16 CHAIRPERSON NICHOLS: Before we actually vote.

17 BOARD MEMBER RIORDAN: I'd like to put that in  
18 the form of a motion of the adoption with the suggestions  
19 that staff has made, plus the others that we just  
20 enumerated.

21 BOARD MEMBER D'ADAMO: I'll second that motion.

22 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
23 WHITE: Chairman Nichols, we need two small clarifications  
24 before.

25 We need a clarification as to whether or not the

1 Board is leaving out the requirements for the tires on the  
2 tractors for the SmartWay proposal in terms of if they are  
3 including or not including the tractors as part of that  
4 proposal, whether the tire requirements for the tractors  
5 are also to be delayed. And also we've identified a need  
6 to clarify the provisions in the port truck rule that are  
7 going to be new. We would like to ability to go back and  
8 do that as well.

9 CHAIRPERSON NICHOLS: Dr. Sperling.

10 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I'm not  
11 clear on the tractor, what exactly you were saying.

12 I thought I heard Dr. Sperling say that he wanted  
13 just a recognition that if this would be adopted. But if  
14 we don't get procedures and stuff taken care of, we would  
15 be back to change it. Something more positive, more  
16 definitive like that.

17 CHAIRPERSON NICHOLS: Chairman Nichols modified  
18 that to say something to the effect that we would make it  
19 clear we're not going to implement it or enforce it until  
20 and unless we get assurance that, you know, the  
21 measurement protocol are developed to our satisfaction.

22 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Right.  
23 But does that mean not adopt it now or does that mean --

24 CHAIRPERSON NICHOLS: No. We're going to move on  
25 this. We don't --

1 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Become  
2 regulation with a caveat on it --

3 CHAIRPERSON NICHOLS: Yes. I think so. It's got  
4 a bomb attached to it that will go off unless you guys  
5 certify it's happened.

6 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think  
7 the tires is perhaps different, because the tires does  
8 have the SAE procedures and well established for both the  
9 trailers. If you wanted to make it clear the tires are at  
10 least a go, that would be a separate action from --

11 CHAIRPERSON NICHOLS: Yes. We weren't  
12 questioning the tire process.

13 BOARD MEMBER BALMES: Madam Chair, just a  
14 procedural question. We're bouncing back between the  
15 two --

16 CHAIRPERSON NICHOLS: We're going to vote  
17 separately on the two rules. But we are giving some  
18 general instructions to the staff here. Right.

19 Mayor Loveridge.

20 BOARD MEMBER LOVERIDGE: I just want to make a  
21 point of order on the ex parte.

22 We listened to some 300 people. And everybody  
23 that we talked to has been heard. There's no secret  
24 disclosures that are going to come out from our ex part.

25 I guess I would ask why, given the extraordinary

1 testimony of so many people, why do we need to go through  
2 that? I don't mind going through it.

3 CHAIRPERSON NICHOLS: I understand. Actually, I  
4 believe that this Board exceeds any legal requirements on  
5 us in terms of our custom of disclosing who we've talked  
6 to.

7 If we were going to go through them, I would not  
8 list every individual that was included in every meeting.  
9 I would list three different meetings or conference calls  
10 that I participated in. And I'm not sure that that -- I  
11 agree with anyone would know more than they know based on  
12 what we've heard. But that's sort of the point is unless  
13 you learn something from the ex parte -- you don't have to  
14 disclose it at all, unless you gained information as a  
15 result of that meeting that you wouldn't get through the  
16 open meeting.

17 BOARD MEMBER LOVERIDGE: If there are people that  
18 gained something from an ex parte meeting other than what  
19 they received from the multiple testimonies and staff,  
20 please --

21 CHAIRPERSON NICHOLS: Would they please disclose  
22 it?

23 I think that's fine, unless I'm advised  
24 otherwise. We don't have to go through and read them. I  
25 think we all were contacted numerous times by groups. And

1 certainly I talked to representatives of the health and  
2 environmental communities and talked to representatives of  
3 the DTCC group who were very impressive, by the way, I  
4 would say. In terms of any specific information, it  
5 wasn't different than what we heard. But just as far as  
6 the level of effort and thought and concern they put into  
7 this effort, I have to say it was really extraordinary.  
8 And I think we benefited and the staff benefited a lot  
9 from it.

10           And then I also met with representatives of the  
11 agricultural industry. And I would say I probably was  
12 influenced by their comments in that meeting to a degree  
13 that wouldn't have been reflected by this testimony here,  
14 because I had a lot of doubts about the staff proposal in  
15 this area. I tend to be somewhat resistant to carving out  
16 specific industries for specific kinds of treatment.

17           And I really needed a better explanation of why  
18 the staff felt that it was legitimate to sacrifice in  
19 effect some reductions here for this particular group.  
20 And I think that their explanation convinced me that they  
21 were not just responding to a perceived interest group or  
22 political pressure, but that they felt that there were  
23 unique circumstances about the vehicles and the way they  
24 were operated that made a difference in terms of whether  
25 you could actually make the rule work for those vehicles

1 in the same way it works for others. So I am not pursuing  
2 any changes in that particular program.

3 Anybody else want to disclose any other meetings  
4 they had? Okay.

5 EXECUTIVE OFFICER GOLDSTENE: We'd like to  
6 clarify what the Board is proposing.

7 CHAIRPERSON NICHOLS: I believe that there is a  
8 motions on the floor to adopt the resolution and the staff  
9 proposal with modifications that are the ones that you've  
10 put up on the board, plus the additional things that were  
11 read.

12 BOARD MEMBER RIORDAN: There's some directives to  
13 you.

14 CHAIRPERSON NICHOLS: Some direction coming from  
15 the --

16 EXECUTIVE OFFICER GOLDSTENE: On the attainment  
17 delay for PM retrofits.

18 CHAIRPERSON NICHOLS: Sorry. I don't understand.  
19 Maybe I need clarification.

20 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: What we  
21 heard the discussion was in attainment areas for vehicles  
22 used exclusively in attainment areas, take the PM  
23 requirement and push it back to whenever the turnover  
24 requirement is, which in many cases would be I guess 2021  
25 or something like that. So the trucks would not to have

1 filters until 2021 and be a 2010 or newer vehicle at that  
2 time.

3           So there would be no retrofitting of those  
4 vehicles. And that would apply to all types of vehicles  
5 in attainment areas used exclusively in attainment areas.  
6 Is that -- we weren't clear if that was what the proposal  
7 is or not.

8           CHAIRPERSON NICHOLS: It seems a little out -- I  
9 wasn't either. And that I agree seems a little bit more  
10 expansive.

11           BOARD MEMBER RIORDAN: I don't know -- certainly  
12 it's very critical that they be functioning -- that they  
13 have to be certified by the owner that that they're going  
14 to only travel in the attainment area.

15           Now, you could put some more low mileage on it,  
16 but I don't think that's reasonable.

17           CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think  
18 the mileage didn't work. At least in the logging truck  
19 example it was 50,00 miles and the other low exemption are  
20 7500 or 15,000 or something like that.

21           BOARD MEMBER RIORDAN: I don't know.

22           Dr. Balmes, did you have any thoughts on that? I  
23 don't know how you could differentiate.

24           BOARD MEMBER BALMES: I didn't have any specific  
25 thoughts. I was throwing that out as a concept. If staff

1 says we'd have trouble meeting the SIP requirements by  
2 this then --

3 BOARD MEMBER RIORDAN: No. Because they're in  
4 attainment areas.

5 BOARD MEMBER BERG: They have to follow the NOx  
6 turnover anyway. So they're going to have to go by one of  
7 the three schedules, either the BACT. They're going to  
8 have to do fleet averaging. Whatever the NOx turnover is  
9 the schedule that they'll be following.

10 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF  
11 WHITE: Actually, let me clarify. For vehicles that are  
12 operated exclusively in those areas, they're exempt from  
13 the NOx requirements until 2021. So they won't -- there  
14 is no requirement that they turn over in the intervening  
15 years between now and then.

16 EXECUTIVE OFFICER GOLDSTENE: So the localized  
17 impact --

18 BOARD MEMBER BALMES: That's more expansive.

19 BOARD MEMBER BERG: That's more expansive than I  
20 was too. But I would like to do some sort of  
21 harmonization so they didn't have twice the cost because  
22 they're in attainment areas. And I think that we could do  
23 something.

24 BOARD MEMBER RIORDAN: Do you have a suggestion,  
25 staff, where we might -- you know, we're trying to be

1 helpful. Okay. You know we're going.

2 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I  
3 understand.

4 I think the difficulty and why we asked the  
5 question is because in recognition they're already in  
6 attainment areas, we already pushed off the turnover  
7 requirement, which means it will be a 2010 engine until  
8 2021. At that time, they will automatically have a filter  
9 and the low NOx.

10 So the increment that we would be addressing is  
11 do they have to do any retrofit or get a vehicle that's  
12 not a 2010 but has a filter on it prior to that date,  
13 which then gets to Ms. Berg's concern that there would be  
14 two things happening, which is what typically is going to  
15 happen to many other fleets. To do a retrofit at one time  
16 and replace the vehicle later.

17 The only structure we have is to wait until 2021  
18 and pull that date forward in order to delay the date of  
19 the filter so they once again coincided. So we'd have to  
20 come up with a much more elaborate approach or just say  
21 they don't have to do anything until 2021.

22 CHAIRPERSON NICHOLS: I think what really started  
23 all of this was concern about logging trucks, right. I  
24 mean, that was where I think Mayor Loveridge was initially  
25 concerned was and also Dr. Balmes, why we were

1 discriminating in one area.

2 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: The  
3 problem was the logging trucks in the analogy to ag just  
4 don't work. Because as we heard, most of the logging  
5 trucks are more like 50,000 miles a year. And the ag  
6 exemptions we talked were 10,000, 15,000, 20,000 max  
7 depending on calendar year.

8 BOARD MEMBER RIORDAN: They're very short hall.

9 CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: For  
10 everybody else, it's 7500 miles. So neither of those come  
11 close to addressing logging, which is why logging is what  
12 the way we proposed it. It wasn't an analogue to the way  
13 we treated agriculture. We call them an agriculture  
14 vehicle, but a high mileage agriculture vehicle has to  
15 comply, too. They wouldn't be any special consideration.

16 BOARD MEMBER LOVERIDGE: Part of this is there is  
17 an absence of numbers and analysis and what that means.  
18 Do you have any offhand surmises?

19 DEPUTY EXECUTIVE OFFICER TERRY: I was just going  
20 to offer, because we're talking about federal  
21 non-attainment areas, that does include some areas that  
22 have urbanized areas within them. And I think that's the  
23 analysis that's missing, as opposed to more remote  
24 counties with very few high-volume traffic areas and the  
25 exposure issue. We haven't done that analysis.

1           CHAIRPERSON NICHOLS: We're trying to look at  
2 risk in a world that doesn't allow us unfortunately the  
3 data to do the risk assessment.

4           BOARD MEMBER RIORDAN: But you also have to  
5 remember logging trucks operate -- they don't operate a  
6 year long season. Theirs is a contracted season most  
7 often. I mean, you know, there may be some areas that are  
8 not. But as it was explained to me, they operate only  
9 when the weather permits. And that is not 12 months a  
10 year. So you have some limitations there.

11           DEPUTY EXECUTIVE OFFICER TERRY: I guess what I  
12 was interpreting was this discussion to include all types  
13 of captive fleets that operated only within the  
14 non-attainment area. And that could be for example --

15           BOARD MEMBER BALMES: You mean attainment.

16           DEPUTY EXECUTIVE OFFICER TERRY: Yes. So, for  
17 example, those could be fleets that operate in Santa  
18 Barbara County. And what we would be forgoing is  
19 particulate traps and diesel risk reduction. That's the  
20 issue here.

21           CHAIRPERSON NICHOLS: Santa Barbara people have  
22 not been heard on this issue either. And I think they  
23 might well object frankly if they knew this was under  
24 consideration. It's going pretty far beyond.

25           BOARD MEMBER RIORDAN: Maybe it would be best

1 just to limit it to logging trucks that we've discussed  
2 and have some knowledge about. I don't want to open up  
3 something.

4 BOARD MEMBER BERG: I don't want to open up a can  
5 of worms either, especially since Mendocino supervisors  
6 came in with a resolution. And they've obviously  
7 discussed this. Maybe it is a logging issue. Would the  
8 Board be comfortable with that?

9 CHAIRPERSON NICHOLS: How about if we don't fix  
10 it for now. I think what I would be more comfortable with  
11 is not fixing it at this time until we've had a chance to  
12 send staff back to think about some more. I think we  
13 could ask for a report back in January, because we'll be  
14 dealing with diesel issues again.

15 EXECUTIVE OFFICER GOLDSTENE: We can look at it  
16 and come back to the Board with a --

17 CHAIRPERSON NICHOLS: With some options that  
18 might be available. I think --

19 BOARD MEMBER BERG: I would be comfortable with  
20 that as well. Absolutely. That we leave it so that you  
21 come back and we can discuss it again.

22 CHAIRPERSON NICHOLS: We've gotten to that point  
23 in the meeting where we're about to fall off into some  
24 other area. So let's bring it back, as Ms. Riordan  
25 suggested earlier.

1           BOARD MEMBER RIORDAN: Madam Chair, if I might,  
2 just as the maker of the motion. We need to acknowledge  
3 the date again with the staff proposed -- I don't know  
4 that your amendments but --

5           EXECUTIVE OFFICER GOLDSTENE: 15 day changes.

6           BOARD MEMBER RIORDAN: To the July 1st, 2008, for  
7 the --

8           EXECUTIVE OFFICER GOLDSTENE: We could quickly  
9 run through those.

10           Eric, why don't you do that?

11           HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

12 WHITE: Okay. We have on the list a courtesy inspection  
13 program for fleets to help them determine compliance.

14           We have return to the Board, update to the Board  
15 by the end of 2009 with workshops prior to that to discuss  
16 funding and how many fleets are taken advantage of that.

17           The state of the economy as well as the impacts  
18 that is having on emissions.

19           And also update on school buses.

20           We also have a direction to go back and look  
21 at -- I'm unclear whether it's the PM requirements in  
22 rural attainment areas as it relates just to logging or to  
23 all vehicles.

24           EXECUTIVE OFFICER GOLDSTENE: We'll look at both.

25           BOARD MEMBER RIORDAN: Both.

1 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

2 WHITE: I also have the two proposed staff suggestions to  
3 begin for early retirement credit as of July 1st, 2008.

4 Extend the small fleet provisions by one year to  
5 January 1st, 2014, and subsequently extend the subsequent  
6 dates as well.

7 And I believe as well as all the other 15-day  
8 changes that we had proposed yesterday.

9 EXECUTIVE OFFICER GOLDSTENE: Including  
10 conforming the port truck rule.

11 HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

12 WHITE: Including conforming the port truck rule.

13 EXECUTIVE OFFICER GOLDSTENE: Ms. Berg asked that  
14 we simplify or show duty cycle information on the website  
15 about the equipment.

16 CHAIRPERSON NICHOLS: Okay.

17 BOARD MEMBER TELLES: Before we leave this, one  
18 of the important things here is monitoring of the economic  
19 impact.

20 And my question to staff and Board is if we  
21 monitor it and we find out there's severe economic impact,  
22 what's the plan?

23 CHAIRPERSON NICHOLS: I don't think we're going  
24 to be in a position to decide today what we would do,  
25 because the possibilities really range from no change to

1 more horrible than we can currently imagine, to things are  
2 actually coming along better and we don't have to worry  
3 about it.

4           And I think if the option is more horrible than  
5 we can currently imagine, there's a lot of other things  
6 that will be on the table at that point in terms of the  
7 program, including, you know, whether the Air Resources  
8 Board will be operating at its usual level. Seriously.  
9 I'm not being factitious. There are some projections  
10 about the state of the economy that could be that grim as  
11 far as people being furloughed and literally not around to  
12 do the analysis we're talking about. So I don't believe  
13 that's what's likely to happen in all honesty.

14           But I do think that if we were in a position  
15 where we saw that not only were we losing businesses and  
16 jobs, but we were also seeing more of a slide even in the  
17 economy as a result of not having trucks around, we would  
18 also have to look at the affect that was having on  
19 emissions and tell the public and the EPA we were going to  
20 be -- we weren't going to be proceeding. But I don't  
21 think we -- I don't think it's a good idea to start  
22 playing out these scenarios right now.

23           BOARD MEMBER TELLES: I kind of disagree.

24           CHAIRPERSON NICHOLS: You're allowed to do that.

25           BOARD MEMBER TELLES: The reason why I asked my

1 question the other day about what's the impact if someone  
2 loses their job on this, because it's a health question.  
3 That's someone that a physician understands.

4           The health part of that is, having taken care of  
5 cardiovascular patients for the last 30 years, there's  
6 almost no bigger risk factor than something losing their  
7 job. I mean, I see this on a daily basis. And we're  
8 talking about balancing health effects here. And when a  
9 person loses their job, their health just falls apart.

10           So to me it's a huge health question. And the  
11 reason to do this is to improve the health of the people  
12 of the state of California, not to make it worse.

13           And in the economic impact question I keep on  
14 asking is if we run up against truckers that are going to  
15 lose their source of income, their livelihood, their  
16 equity, their retirement plan, all those things that go  
17 along that puts a huge stress on that population, that  
18 population when you count the numbers here is a million  
19 people. I don't think there's any bigger industry in  
20 California that hires a million people. And I don't think  
21 there is a bigger economy that has or any economy that has  
22 a million trucks, you know. A truck for every 30 people.  
23 And it's huge.

24           And I would like some kind of -- to seek some  
25 kind of off ramp or some kind of protection for the

1 trucking group that -- you know, we've heard the dump  
2 truck people and all this that are going to potentially be  
3 the biggest jeopardy and at risk of losing everything. I  
4 don't think the State of California wants to put people  
5 out of work. I personally wouldn't want to do that just  
6 from the health point of view of it.

7 I know this is the difficult thing we're dealing  
8 with here, but I think we have to address.

9 BOARD MEMBER D'ADAMO: Madam Chair, may I?

10 CHAIRPERSON NICHOLS: Please.

11 BOARD MEMBER D'ADAMO: I just think that I'd like  
12 to go back to your comment in opening. And I don't think  
13 that if we look at either extreme it's going to be a  
14 challenge for us.

15 We're all in favor of clean air, and we don't  
16 want to put anybody out of work.

17 I would just suggest that we consider the  
18 longstanding actions that this Board has taken. I've been  
19 on the Board long enough to know that when we adopt a  
20 rule, to a certain extent, it's a leap of faith. Staff  
21 has been terrific in bringing rules back to us when we  
22 have misstepped. And I think that with the direction that  
23 staff is getting in coming back to us, not just on the  
24 economic impact, but in particular on that financing  
25 package which is really the lynch pin of what's going to

1 enable us to pull this off. So more regular reports on  
2 the financing package.

3           And I truly believe that if we have misstepped,  
4 staff is going to come back to us mighty quick. Because  
5 we're going to have to make adjustments and somehow still  
6 come into compliance, you know, meeting our SIP  
7 obligations.

8           CHAIRPERSON NICHOLS: I think I agree with what  
9 Ms. D'Adamo said very sincerely. I also think that the  
10 honest answer to your question that you asked yesterday --  
11 and, you know, I believe you asked it in all sincerity  
12 there is no way to know the answer to your question. It  
13 is unknowable. All you can do is to look retrospectively  
14 at what has happened with rules that we have adopted in  
15 the past. And while this one is big and expensive and is  
16 being adopted in difficult times, we've never adopted a  
17 rule that I'm aware of that didn't have severe opposition  
18 from people who did question what the economic impacts of  
19 that were going to be.

20           And in looking back at them, again, not to be  
21 assume that the past is always prologue, but the reality  
22 has been that the cost of compliance has turned out to  
23 have been less than we estimated, because we always are  
24 going on data that is given to us by sources. And that  
25 the methods of compliance turned out to be somewhat

1 different than we anticipated in the beginning. People  
2 found other ways to comply.

3           So I think that it is the difficulty of this work  
4 that we do in the air regulatory field we're always  
5 betting on what's going to be out there and what the costs  
6 are going to be. And when we get close to the brink if  
7 we're wrong, we have to change as we're seeing we will.

8           Mayor Loveridge.

9           BOARD MEMBER LOVERIDGE: Yeah. Just a personal  
10 observation. Serving on the South Coast Board is I don't  
11 think there is a major rule that we adopted where we  
12 haven't heard that it's going to cost jobs. It's going to  
13 cost employment, thus we should not do that. That is one  
14 of the things that's a part of almost kind of rule and  
15 regulation that Air Boards adopt.

16           CHAIRPERSON NICHOLS: All right. I think at this  
17 point we probably have to move forward towards a vote on  
18 the rule.

19           Do we understand what it is we're voting on? Do  
20 you understand what we are voting on?

21           EXECUTIVE OFFICER GOLDSTENE: Yes, we do. Your  
22 first vote will be on the truck rule.

23           CHAIRPERSON NICHOLS: We'll do the greenhouse gas  
24 rule first I think and then PM and NOx rule.

25           BOARD MEMBER TELLES: For me to feel comfortable,

1 are you suggesting when we re-look at this, there's ways  
2 to modify it in the future?

3 CHAIRPERSON NICHOLS: Sorry. Yes, of course.

4 BOARD MEMBER TELLES: I was just saying, great.  
5 Monitor it.

6 EXECUTIVE OFFICER GOLDSTENE: We'll be reporting  
7 back to you with as much information, including the  
8 anecdotal information about financing, the compliance  
9 rate, what's going on with the economy and --

10 CHAIRPERSON NICHOLS: But I hope you could feel  
11 empowered -- and maybe this is to follow up on the  
12 question I didn't understand Dr. Telles was asking.

13 If there are problems that are beyond what we  
14 have assumed today, you will recommend changes to the  
15 rule; right?

16 EXECUTIVE OFFICER GOLDSTENE: Yes, we would.

17 BOARD MEMBER RIORDAN: Or we may come to that  
18 conclusion yourself.

19 Dr. Telles, we do have a history of modifying and  
20 changing. And the biggest one is the zero emission  
21 vehicle. Every one of us on the Board at the time that  
22 that passed thought there would be some wonderful  
23 break-through in a battery and somebody would be, you  
24 know, right there with the manufacturers and we would have  
25 zero emission vehicles. Didn't happen. And we had to

1 make a lot of changes. And so we have a history of going  
2 back and re-visiting some major, major rules when  
3 something does not occur that we had anticipated.

4 BOARD MEMBER TELLES: I'll make just one final  
5 comment and then be quiet the rest of the day.

6 CHAIRPERSON NICHOLS: There won't be much more  
7 opportunity.

8 BOARD MEMBER TELLES: Because, you know, you and  
9 the Mayor have pointed out to me that, you know, making  
10 rules are difficult because everybody complains. But I  
11 think that this particular rule is uniquely different than  
12 all the ones I've participated in in our air pollution  
13 control district or watched. And we're dealing with not  
14 big corporate entities. We're dealing with 30 percent of  
15 this group is small business truck guys who own one truck.  
16 And it's entirely different. And we can't say, well, they  
17 complain and they do all right anyway. Chevron complains  
18 and they do all right. I'm not sure if a trucker who owns  
19 a dump truck is going to complain and do okay.

20 I think there's a big personal human difference  
21 here that I'm trying to kind of identify and make you all  
22 aware of here. I'm sure you've done this long enough  
23 you're totally aware of it and you don't need this. But I  
24 had to say that.

25 CHAIRPERSON NICHOLS: I think you've made the

1 point well. Thank you. I think that is well said.

2           And I think that's what motivated us to tailor  
3 this rule from what was originally presented to  
4 specifically single out the smallest truckers for the  
5 largest amount of time that with possibly can give and  
6 still meet the deadline that we have under the rule as a  
7 whole.

8           So I would like to say that I think that was what  
9 was behind that proposal was to -- we don't always single  
10 out small businesses. In fact, there's a lot of good  
11 economic arguments in many industries to not discriminate  
12 in favor of the small. Because oftentimes they're also  
13 the most polluting in a particular industry. In this  
14 instance, I think we've recognize we're dealing a complex  
15 economy and that we have to do something directly targeted  
16 at small business. And I'm happy that we are at least in  
17 a position to grant some unique kind of tailored relief in  
18 that area. We hope it's enough. But if it's not, then we  
19 will come back and look at it again. Thank you.

20           All right. The secretary will call the roll  
21 please on -- sorry. We have a motion and a second.

22           BOARD MEMBER BALMES: I'll second it.

23           CHAIRPERSON NICHOLS: Ms. D'Adamo already  
24 seconded the motion. So on the -- let's do the on-road  
25 rule first. Okay. The on-road rule.

1 BOARD CLERK ANDREONI: Dr. Balmes?  
2 BOARD MEMBER BALMES: Yes.  
3 BOARD CLERK ANDREONI: Ms. Berg?  
4 BOARD MEMBER BERG: Aye.  
5 BOARD CLERK ANDREONI: Ms. D'Adamo?  
6 BOARD MEMBER D'ADAMO: Aye.  
7 BOARD CLERK ANDREONI: Mayor Loveridge?  
8 BOARD MEMBER LOVERIDGE: Yes.  
9 BOARD CLERK ANDREONI: Ms. Riordan?  
10 BOARD MEMBER RIORDAN: Aye.  
11 BOARD CLERK ANDREONI: Professor Sperling?  
12 BOARD MEMBER SPERLING: Yes.  
13 BOARD CLERK ANDREONI: Dr. Telles?  
14 BOARD MEMBER TELLES: Aye.  
15 BOARD CLERK ANDREONI: Chairman Nichols?  
16 CHAIRPERSON NICHOLS: Aye.  
17 BOARD CLERK ANDREONI: Motion passes eight -zero.  
18 CHAIRPERSON NICHOLS: Now we need to deal with  
19 the GHG motion.  
20 BOARD MEMBER D'ADAMO: I make a motion that we  
21 adopt Resolution 8-11-4.  
22 BOARD MEMBER SPERLING: Second.  
23 CHAIRPERSON NICHOLS: Second.  
24 All right. We'll do the roll call again.  
25 BOARD CLERK ANDREONI: Dr. Balmes?

1 BOARD MEMBER BALMES: Aye.

2 BOARD CLERK ANDREONI: Ms. Berg?

3 BOARD MEMBER BERG: Aye.

4 BOARD CLERK ANDREONI: Ms. D'Adamo?

5 BOARD MEMBER D'ADAMO: Aye.

6 BOARD CLERK ANDREONI: Mayor Loveridge?

7 BOARD MEMBER LOVERIDGE: Aye.

8 BOARD CLERK ANDREONI: Ms. Riordan?

9 BOARD MEMBER RIORDAN: Aye.

10 BOARD CLERK ANDREONI: Professor Sperling?

11 BOARD MEMBER SPERLING: Aye, since we're doing

12 ayes now.

13 BOARD CLERK ANDREONI: Dr. Telles?

14 BOARD MEMBER TELLES: Aye.

15 BOARD CLERK ANDREONI: Chairman Nichols?

16 CHAIRPERSON NICHOLS: Aye.

17 BOARD CLERK ANDREONI: Motion passes eight-zero

18 oh.

19 CHAIRPERSON NICHOLS: All right. Thank you all

20 very much. Thank you.

21 EXECUTIVE OFFICER GOLDSTENE: We have one more

22 item, the research proposal on fee bates.

23 CHAIRPERSON NICHOLS: Let's just do it on a -- we

24 don't have to have a presentation. We all received the

25 materials in advance.

1 BOARD MEMBER BERG: So moved.

2 BOARD MEMBER D'ADAMO: Second.

3 CHAIRPERSON NICHOLS: We have a motion from Ms.

4 Berg, a second from Ms. D'Adamo. All in favor say aye.

5 (Ayes)

6 CHAIRPERSON NICHOLS: Any opposed?

7 Dr. Sperling is recusing himself.

8 EXECUTIVE OFFICER GOLDSTENE: Thank you.

9 (Thereupon the California Air Resources Board  
10 adjourned at 4:12 p.m.)

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## 1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand  
3 Reporter of the State of California, and Registered  
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the  
6 foregoing hearing was reported in shorthand by me,  
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the  
8 State of California, and thereafter transcribed into  
9 typewriting.

10 I further certify that I am not of counsel or  
11 attorney for any of the parties to said hearing nor in any  
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand  
14 this 18th day of December, 2008.

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