

California Legislature

September 9, 2009

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Board Members:

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

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

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

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


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

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

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

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

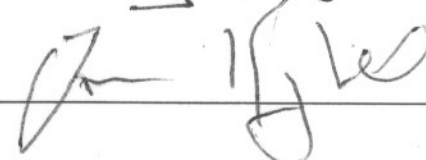
Sincerely,





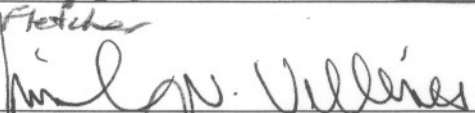





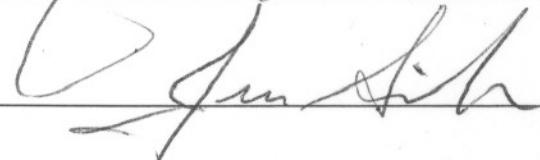












John Miller (71)

Connie Conroy

~~John Miller (71)~~

Wm

Jan Fuller

Jim Nielsen

Henry

Carroll Galgiani

Wm

Van Tran

Quinn Claballen

88th A.D.

Minnie Walters

John Benoit

Charles

Bob Butler

John

John

John

Don Logan

John Nielsen

Clark

86 A.D.

Martin Garick

Alfred Huber

Andre Strickland

John

John

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John

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John

Sam Harmon

Mad Myland

Emma M. Hunted

Blonie Negate M. Gent

James


Luis Parra

Chas. M.

John

Geoff Runner

Roy Crowder

Lee M. 

Signatures

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

Senator Jeff Denham
Senator Dennis Hollingsworth
Senator Mimi Walters
Senator Tony Strickland
Senator John Benoit
Senator Dave Cogdill
Senator Dave Cox
Senator Bob Huff
Senator Bob Dutton
Senator Tom Harman
Senator Mark Wyland
Senator George Runner
Senator Sam Aanestad
Senator Roy Ashburn
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Senator Curren Price
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