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
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Ms. Monica Vejar, Board Clerk

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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, Environmetal 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

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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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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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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 Paparian, 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

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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

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Ms. Marie Witte, Mike Roche, Inc.

Mr. Marshall Woodmansee

Ms. Sophia Woodmanse

Ms. Tessa Woodmansee

Mr. Denny Wyatt, APEX Bulk Commodities

Mr. John Yandell, Yandell Truckaway, Inc.

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PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
CHAIRPERSON NICHOLS: Good morning, ladies and gentlemen. We have a very full agenda today. And we have been figuring out how we can organize our work most efficiently.

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

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

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

Second is to tell you that although the announcement said we would begin and immediately adjourn to have Board members take a brief tour downstairs to 11th Street and to have an opportunity to actually look at some of the technology that's being discussed here on some
trucks, that we're going to start to hearing and do the
tour during a break a little later on this morning so that
everybody gets a chance to get started. And I think we'll
make more progress that way.

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

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

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

(Thereupon the Pledge of Allegiance was
Recited in unison.)

CHAIRPERSON NICHOLS: Thank you.

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

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

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

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

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

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

Oh, call the roll. Okay. We can call the roll.
Sure. Let's call the roll.

BOARD CLERK VEJAR: Dr. Balmes?
BOARD MEMBER BALMES: Here.
BOARD CLERK VEJAR: Ms. Berg?
Ms. D'Adamo?
BOARD MEMBER D'ADAMO: Here.
BOARD CLERK VEJAR: Ms. Kennard?
Mayor Loveridge?
Mrs. Riordan?
BOARD MEMBER RIORDAN: Here.
BOARD CLERK VEJAR: Supervisor Roberts?
BOARD MEMBER ROBERTS: Here.
BOARD CLERK VEJAR: Professor Sperling?
BOARD MEMBER SPERLING: Here.
BOARD CLERK VEJAR: Dr. Telles?
BOARD MEMBER TELLES: Here.
BOARD CLERK VEJAR: Chairman Nichols?
CHAIRPERSON NICHOLS: Here.
BOARD CLERK VEJAR: Madam Chairman, we have a quorum.
CHAIRPERSON NICHOLS: Thank you.
And for anyone who may be wondering who was watching yesterday, we've been joined today by Board Member Barbara Riordan who was at her -- your office yesterday watching this proceeding on the web cast. And
she has followed all the testimony on this rulemaking. And we're happy to have her here today. And she'll be able to vote on the end.

BOARD MEMBER RIORDAN: Thank you, Madam Chairman. One thing I did learn and it might be helpful for all of you to know, those of you who are testifying are speaking as we do as staff members and Board members, speak into the microphone. Because there were times when people obviously had moved away from the microphone and you simply could not hear over the webcast. But you could get the gist of it. But it really is important to speak into the microphone.

CHAIRPERSON NICHOLS: Thank you. I think these microphones are designed not to pick up all the noise in the room, which is good. But it means you really have to be right in front mike to be heard.

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

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

CHAIRPERSON NICHOLS: Since this is a new process here, we'll just give her a pass.
Mark Handle.
I'm going to read this whole list, and please come forward if you're here. Mark Handle, Brett Newell, Deborah Jordan, Larry Robinson.

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

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

Thank you.

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

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

CHAIRPERSON NICHOLS: They disappeared.

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

Thank you. And good morning.

What I wanted to talk about was the importance of how this rule meets SIP commitments and the promises that this Board makes to achieve ambient air quality standards.

What's been discussed are the SIP commitments the 2007 ozone plan.

What I want to discuss this morning are those promised made five years ago in 2003 to meet the one-hour
ozone standard, the one-hour ozone standard which is past
fast approaching. In South Coast and San Joaquin Valley,
scores of violations have occurred, and those air basins
won't attain that standard.

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

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

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

What are the consequences of not adhering to
those resolutions? Well, the public isn't benefiting from
significant ozone and PM2.5 forming emission reductions.

Stationary sources in the South Coast and the San Joaquin Valley, when there is the failure to attain, will pay stationary source fees under Section 185 of the Clean Air Act.

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

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

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

MR. NEWELL: I'll keep talking.

CHAIRPERSON NICHOLS: I'm sure you will, but unfortunately I can't let do you that. If you can just complete your sentence, we're going to have to call a
MR. NEWELL: In conclusion, this Board is going to adopt a resolution today. It adopted a very important resolution yesterday to address greenhouse gas reductions. What confidence does the public have in this Board's resolutions and this Board's will if it doesn't honor its own resolutions.

CHAIRPERSON NICHOLS: Thank you.
Okay. Deborah Jordan.

MR. NEWELL: I have postcards.

MS. JORDAN: Good morning, Chairman Nichols and members of the Board.
I'm Deborah Jordan, the Air Director for U.S. EPA's Regional Office in San Francisco.

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

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

Did my mike go out?
The Clean Air Act provides EPA and the State joint responsibility for protecting the public's health.

EPA is responsible for setting health-based ambient standards for pollutants such as ozone and particulate matter for issuing emissions standards for many sources of...
air pollution.

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

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

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

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

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

US EPA and California have to same goals:
Protecting public health and the environment. The country continues to look to California for its expertise, its technical advancements, and its forward thinking in controlling mobile source emissions.

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

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

CHAIRPERSON NICHOLS: Larry Robinson.

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

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

I've been doing diesel mechanic work for over 30 years from heavy equipment work to trucks. And I do smoke opacity tests every year. And I can tell you the older trucks are not running any dirtier than the new ones.
brand-new ones that we don't test, there's not a whole lot of testing been done on the brand-new ones yet, you know, with the DPS on them. But I can tell you the air is clean coming out of the trucks. Just as clean as what you're going to be proposing. Some of the newer trucks when they're cold, they run dirtier than the old trucks, because I've tested those.

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

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

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Robert Meagher.

MR. MEAGHER: Hello. I'm Dr. Robert Meagher, a
pediatrician formerly practicing with Kaiser Permanente in Sacramento for 30 years. And today I'm representing the Sierra Sacramento Valley Medical Association, which is made up of doctors in Yolo, El Dorado, and Sacramento Counties.

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

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

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Jenny Saklar.

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

CHAIRPERSON NICHOLS: Saklar, Hamilton, and

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
Talavera?

BLONDE: Yes.

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

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

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

CHAIRPERSON NICHOLS: Move up the mike. Thanks.

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

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

Certainly today to try to ask carriers, people in the business to retrofit, re-power, replace, and to do so
Circumstantly with the trailing equipment is an economic burden that I don’t think is a prudent way to approach this.

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

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

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

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

MR. YANDELL: I’ll go back to the fact of 130
power units and 350 pieces of trailing equip. We look at some of the numbers the staff has shown on long haul and the efficiency of aerodynamics -- we're a regional short-haul carrier. Do not have the turns in the equipment. I think we can work within the confines of the emissions on the power units. But again, to justify the costs on the trailing equipment, we certainly can't do that.

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

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

CHAIRPERSON NICHOLS: Thank you, sir.

Angelo Logan, followed by Michael Tunnell.
MR. LOGAN: Good morning, Chairman Nichols and members of the Board.

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

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

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

As it relates to members of my community, friends, neighbors, I've seen dozens and dozens of individuals that have been impacted by diesel emissions.

And to put this rule issue into perspective, I don't think we can quantify or put a value on a human life. So it's really difficult to talk about the cost when we're talking about human life.

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

Although it's difficult to do, we have quantified the cost. And we have quantified the benefits. And I've got to say from my perspective the benefit outweighs the
cost enormously. And going beyond that, I think that we need to look at the positive of this. Moving forward in our society, we need to try to move to a greater place where we can have better quality of life for everyone.

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

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

CHAIRPERSON NICHOLS: Thank you very much.

Michael Tunnell, Martin Lassen.

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

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

My remaining comments focus on the greenhouse gas regulation. The SmartWay Program provides tools for fleets to evaluate and reduce greenhouse gas emissions. These tools include more than just the aerodynamic devices you're hearing about from the staff. There's a whole host of mechanisms that fleet can look at and evaluate what works best for them. There's flexibility in this SmartWay Program that isn't provided in the regulation. And we're
asking that you provide more flexibility into that regulation by doing the following three items.

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

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

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

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

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

CHAIRPERSON NICHOLS: Thank you, Mr. Tunnell.

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

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

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

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

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

CHAIRPERSON NICHOLS: Thank you.

Margaret Gordon, Angel Raposa.

I really would appreciate it if you folks would
cooperate with me and try to line up. Many are doing it.
Okay.
Margaret.
MS. KELLY-ORTEGA: Actually my name is Melissa Kelly-Ortega. We came from San Joaquin Valley. I apologize for being late. We were stuck in fog.
CHAIRPERSON NICHOLS: Go ahead.
MS. KELLY-ORTEGA: Like I said, my name is Melissa Kelly-Ortega from Merced associated with the Merced Asthma Coalition.
I have three children, two of whom have been diagnosed with asthma. And I would first like to give CARB staff a pat on the back for working to meet the needs of all Californians. It's a big task. And I think you've made a lot of concessions since last January.
Mr. Goldstene stated without swift approval of this rule, lives will be lost. And I think that's a very great responsibility. Not just a few lives, thousands of lives. And so we really appreciate the fact that you will be taking that responsibility and voting to pass a strong diesel truck rule today.
Passing a strong diesel truck rule will allow those of us living in extreme non-attainment areas like the San Joaquin Valley especially for 8-hour ozone a glimmer of hope that our children will be able to breath
We have a number of us here today who are going to be handing you postcards that have been signed by people around the state who support you adopting a strong health protective rule. And we're going to be coming up and handing you stacks of postcards. People will be doing that from all over the state of California. And these are stacks we’ve collected I think over 300 in the San Joaquin Valley.

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

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

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

Who is next?

MS. RAPOSA: Good morning, Madam Chair and ladies and gentlemen. My name is Angel Raposa. And my husband Jake and I have been owner-operators for over 40 years in the Bay Area.

Being hard hit in 2007 and with the first quarter of 2008 proving even worse, we have been trying to sell two pieces of our equipment. We have been hit not only with the volatile economic environment, but with our
industry's anticipation of the on-road rule. Our equipment has lost so much of its value we are unable to sell. We always counted on the fact that selling our equipment would carry us through the worst times. We have lost that ability and soon our livelihood.

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

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

My husband was diagnosed with asthma while in the marines over 49 years ago. His doctors deemed him asthma free in 1976, eleven years into his owner-operator life. We have known countless truckers over the year. We have never known any to die from diesel-related cancers.

Because of the late models and few trucks that we own, we fall through the cracks. No grant will touch us or will we be able to attain financing. We work with
hundreds of other owner-operators who fit this same mold.
Should we continue running a legal operation, we will all
be out of business.

CHAIRPERSON NICHOLS: Thank you, Ms. Raposa.

Dr. John Balbus.

DR. BALBUS: Good morning, Madam Chairman,

members of the Board.

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

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

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

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

What I would like to do today is to take an arm
chair bus tour with you to demonstrate what California is proposing to do is completely consistent and in line with what state and local governments across the country are doing to address this major public health threat.

Starting in Massachusetts, law makers there have introduced bills in their State House and Senate that will require retrofits on all State-owned, leased, or contracted diesel equipment and all municipal waste trucks by 2011 and 2012 respectively.

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

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

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

And then California of course broke new ground as
far as back as 1999 with the Carl Moyer Program, which has provided hundreds of millions of dollars in grants to speed the replacement --

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

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

CHAIRPERSON NICHOLS: Thank you.

Mr. Kitagawa.

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

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

Because the regulation before you today represents the best opportunity for California to improve some of the dirtiest air in the nation and reverse the trend that is seeing the rate of asthma prevalence in the state rise by 25 percent between 1999 and 2005, we urge you to approve a strong health protective rule.
CAFA members deal with effects of diesel pollution every day. We see students forced indoors at school for recess. We see the economic burdens on families with children with asthma.

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

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

Thank you.


MR. PFEIFER: Nick Pfeifer.

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

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

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

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

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

The second concern I have is the cumulative
effect of this regulation with other CARB regulations. We currently fall under six fleet rules this would make number seven. And it's very challenging and complicated when you start combining rules.

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

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

CHAIRPERSON NICHOLS: Thank you. Appreciate the suggestion.

Josh Pane.

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

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

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

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

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

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

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

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

CHAIRPERSON NICHOLS: Thank you.

MR. WATERS: Thanks, Josh.

Madam Chair and Board, my name is Mike Waters, Vice President of Coach America San Francisco Lines in San Francisco, about an 80 bus operation in the Bay Area,
and a director of the California Bus Association.

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

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

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

An accelerator replacement model as it was originally proposed in the regulation would have been for our industry a business and a job killer. While we met numerous times with ARB staff members Eric White and Tony Brasil -- thank you, Eric -- and the staff modelers, and encountered some tough negotiations. We were able to reach a point where the association believes that with the adjustments made to the rule under the motor coach
modification our association and industry members have a proposed rule that has a chance of working without imposing crippling financial burdens on its members through the forced early replacement of usable buses with all new vehicles.

Thank you again.

CHAIRPERSON NICHOLS: Thank you.

Allen Faris.

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

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

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

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

But anyway, I want to testify on what this rule has done already just the potentiality of it to assets of people with older trucks. And you've heard testimony. Seventy-five percent of my fleet is mechanical engines.
We run local within 100-mile radius at the maximum. And you know how the construction industry is. You work maybe 50, 60 percent of the time. 

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

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

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

CHAIRPERSON NICHOLS: Thank you.

Joel Errice.

MR. ERRICE: Good morning. My name is Joel Errice. I'm Associate Director of RAMP, Regional Asthma
Management and Prevention, a regional collaborative working to reduce the burden of asthma in the Bay Area. Also a member of the Health Network for Clean Air and Ditching Dirty Diesel.

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

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

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

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

A recent study showed air pollution in the South...
Coast and the San Joaquin Valley regions cost the state's economy $28 billion annually. With this rule, money spent on ER visits can instead be spent on products and services. Parents losing work can instead be productive at work.

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

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

There is a park near my apartment that my fiance and I like to go to. Perfect for walks, with one exception. Near the parking lot there is often a row of diesel trucks serving a nearby distribution center.

During some of those times when the trucks are coming and going, there is a strong smell of diesel in the air and my asthma kicks in.

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

Thank you.

Also have some post cards.

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

Danny Wyatt.

MR. WYATT: Good morning, Madam Chairman, Board.
My name is Denny Wyatt. I'm an owner of APEX Bulk Commodity. We are a California-based dry bulk carrier. Principle business is in the construction end.

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

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

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

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

We buy new trucks to -- a little clarification from yesterday. We buy new trucks because it is the best financial decision that we can make. You can get financing for new trucks up to six to seven years. The interest rates when you buy new trucks are five-and-a-half to six percent instead of eight, nine, ten percent. Used
truck equipment generally will only be financed for three years if you don't have some advantage from the Board.

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

CHAIRPERSON NICHOLS: Sorry your time is up.

MR. WYATT: Thank you.

CHAIRPERSON NICHOLS: Ms. Stephens.

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

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

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

Public opinion survey in 2005, this was rated a public study. San Diego's number one problem was traffic congestion. And again with that study had some issues
with the border between Mexico and the United States. The Otay Mesa port of entry is the busiest commercial border with 1.4 million trucks with $22 billion of goods movement coming through that border annually.

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

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

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

So thank you for your time.

CHAIRPERSON NICHOLS: Thank you.

Daniel Speth.

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

My name is Daniel Speth. I'm an owner-operator, one truck. I've been in business for about eight years.
I'm a short-haul driver. Most of my work is at a cemetery, which doesn't put a lot of miles on my truck. And a lot of this grants and things, you know, I just don't put the miles on, so I can't make it happen with that.

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

You say, you know, to buy just the truck is one thing. But to buy the equipment that goes on the truck is another thing. To buy a box for a dump truck is $30,000. We just don't have the margin as an owner-operator with our work down 50 percent at least. Some members I've talked to are down 70 percent. With the economy the way it is, it just doesn't seem like we're going make it.

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

What would happen to your employer? You work for
the cemetery association?

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

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

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

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

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

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

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

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

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

CHAIRPERSON NICHOLS: Thank you.

Lee Jennings.

If not, it was Sean Realite.


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

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

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

My apologies.

With our economy in the dumpster, the banks in
trouble, no one can get a loan, and if they can, they
can't afford the payments. I'm sitting in that situation
now with the two newer ones I purchased. The payments are
$3,800 a month, not to mention the higher insurance rates.
I feel the Board should consider the alternative
to help the small trucking businesses, plus many, many
owner-operators stay in business. And I feel being as the
Governor is trying to place a plan to save the state of
California from bankruptcy, I wonder who's going to save
us. Thank you.

CHAIRPERSON NICHOLS: Thank you.

John Pitta.

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

I am a three dump truck operator, one of which is
parked. Just the proposal of this rule has wiped out my
equity. The rule will put me out of business, period.
I would urge you to consider -- the State of
California is not going to suffer when John Pitta Trucking
goes out of business. But I am one of thousands that
employ more thousands. And we are all going to be out of
business. I would urge you to consider the alternative
rule.

Thank you.

CHAIRPERSON NICHOLS: Jacqui Hansen.
Excuse me, sir. Could you before you leave just explain why you're going out of business?

BOARD MEMBER ROBERTS: Help us understand.

CHAIRPERSON NICHOLS: We need more specifics.

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

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

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

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

I'm 64 years old. It's not going to kill me. My two employees are going to lose their sole source of income, their health benefits. They'll get other jobs, but it will be a while. And I'm just -- the State of California is not going to suffer when I go out of business. But I'm one of thousands, not only in the dump truck industry but other industries. And we employ thousands.
CHAIRPERSON NICHOLS: Okay. Thank you. We heard you.

Jacqui Hansen.

Dennis Downing.

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

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

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

The interesting thing about construction trucking is that we don't run the miles. At least what we do in our area, we don't run the miles the over-the-road do. So consequently we do not generate the revenue the over-the-road trucks do. And so we in years past have bought the over-the-road trucks as they phase out their trucks to buy newer trucks. We bought what they sold off. Obviously, that's not going to work in the 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
Coalition for Community Justice. We work in proud partnership with the Central Valley Air Quality Coalition. I was born and raised in Madera, so I'm also speaking from a local perspective as a San Joaquin Valley resident.

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

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

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

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

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

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

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Marybelle Nzegwu.

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

As staff presented yesterday, this rule is critical to meet the obligations in the SIP. Every ton of
reduction that can be achieved goes towards meeting ARB's duty under the State strategy.

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

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

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

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

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

Thank you.

CHAIRPERSON NICHOLS: Thank you.

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

CHAIRPERSON NICHOLS: Thank you very much.

Diane Bailey.

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

My name is Diane Bailey. And I representing the Natural Resources Defense Council in very strong support
of both rules, the diesel bus and truck and the greenhouse
gas truck rule. And we urge you to move forward to adopt
these very important rules and take a second historic
action this week.

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

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

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

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

The truck industry has had more than a decade to
tap into public funds to get a jump start on these regulations and cleanup. And they'll continue to have another decade to fully cleanup under the time frames of the regulatory proposal.

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

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

Thank you very much.

CHAIRPERSON NICHOLS: Thank you, Ms. Bailey.

MS. BAILEY: I have another stock of postcards.

CHAIRPERSON NICHOLS: Before we proceed to the next witness, who's Bill Terrell, I just want to ask Eric White, you can be the person to respond here. We use a
lot of shorthand in these hearings sometimes, but I just
want to be clear, the staff is not proposing an exemption
for agriculture from this rule.

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

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

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

CHAIRPERSON NICHOLS: Thank you.

Bill Terrell.

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

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

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

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

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

Contrary to what we were told would happen, this rule, while not yet enacted, has literally destroyed any equity left in our older trucks and equipment. This chain of events effects both the contractors and the state. The contractors suffer by realizing reduced values on their trucks, the money he would have used to get through tough
times that they're all in right now has been greatly
reduced. If you were to use the sale proceeds to purchase
a new vehicle, he has to finance that much more if he even
can. Forget about trading in an older out of compliance
truck. No one wants them.

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

CHAIRPERSON NICHOLS: Time is up.

Susan Jones.

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

CHAIRPERSON NICHOLS: I hope not.

MS. JONES: I have. I've the Bay Area Chapter
Chairperson for the California Dump Truck Owners
Association. I own two pre-1991 dump trucks that cannot
be repowered or retrofitted. They have lost approximately
75 percent of their value due to this pending regulation
and the depressed economy.
One of my trucks is 20 years old, and it has only
gone 310,000 miles. That's an average of 15,500 miles a
year. And that is more than what your proposal allows.

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

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

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

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

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

CHAIRPERSON NICHOLS: Thank you.

Liza Bolanol.

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

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

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

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

So with that in mind, I just ask you once again
to continue to fulfill that commitment. And we are very excited to be here today. You'll see a lot of the folks that were at that ozone hearing back in 2007 here today. And the ones who weren't able to come did bring their postcards. So thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Joe Laney. Not here or passing.

Jeremy Jungreis.

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

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

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

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

We want to thank staff very much. They've been extremely helpful. And they have accommodated the fact we have some very different requirements in the context of military applications of tactical vehicles essentially.
And staff has been very helpful in that regard. So thank you for helping us do that.

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

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

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

Third, there is a few minor language tweaks that are still needed in the regulation. There is some internal inconsistencies. And I would ask the Board to request staff to work with us. There are a couple minor things. I don't think there will be a problem. But
definitional changes in Section 2025(c)(5). There are just a couple of minor things in the SmartWay rule and in the statewide truck and bus rule if staff will work with us on that.

CHAIRPERSON NICHOLS: Thanks, Major.

Randal Friedman.

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

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

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

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

I think in your low-carbon rule and the early numbers we've seen, I think you are recognizing that B20 and biodiesel is one of the most promising alternatives.
for low carbon fuel and for having substantial greenhouse
gas benefits. I think we're all on the same page. And we
want to make sure that we can continue to meet our federal
requirements which mandate the use of biodiesel consistent
with your programs.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF
WHITE: Just maybe I could -- Madam Chairman.

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

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

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

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

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

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

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

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


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

Thank you.

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

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

We urge you to consider the DTCC proposal.

Residential construction is down almost 70 percent in California. Commercial construction about 40.

So we have a lot of equipment not operating. And recovery is not expected to begin until 2011. So we're being forced to be way ahead of the curve. If clean air truly is the issue, construction equipment is just not operating. And the equipment that is operating is our
best, our most efficient, and that's the newest equipment. Construction has had portable engines. It's had off-road, and now it has on-road. And the timing of this rule as proposed cuts right into when recovery could begin. And that's a real difficulty.

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

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

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

EXECUTIVE OFFICER GOLDSTENE: Madam Chairman, before we break, I just want to talk about logistics just for a moment if you don't mind.
When we break, if the Board could follow staff out to the 11th Street, we're going to explain to the Board at the same time what you're seeing out there on the street just to be as quick as we can to go through the display.

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

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

We will be adjourned until 10:35.

(Thereupon a recess was taken.)

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

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

So I'm going to ask with the indulgence of my
Board a favor, which is I know people are here because they want to be counted on this issue. And I want to tell you, as I said yesterday, that we don't do this by vote. If we did, it would be easy. We would just say how many for, how many against. And it would be over with.

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

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

Okay.

So I'm going to ask you if you're a member of a public health organization or you're a citizen and you're here because you want to testify that you want us to clean up the air and to stick with the rule that the staff proposed. Maybe you want to say you don't like giving special treatment to agriculture or whatever, you don't want us to slow down. If that's the gist what of your testimony is, could you raise your hand and be counted? I just want -- or stand up. Stand up and raise your hand and be counted. I've got a lot of people on the list who I think are in that position.
Somebody is going to have to go into the overflow room and count them as well if you could. Okay.

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

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

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

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

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

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

OMBUDSMAN QUETIN: Done.

CHAIRPERSON NICHOLS: Now if you're with a school district or you're here to talk about buses, can we get you to stand up? I know there's a few of you as well. Do we got somebody doing the count on these? Okay.
If you're a device manufacturer or you got equipment that you want to talk about that will help people meet the rule.

And I see there is at least one person here who's -- or there was earlier with the Pollution Control Financing Authority to talk about the financing issues.

Is there anybody else who's here to talk about the financing piece here?

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: There's two.

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

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

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

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

CHAIRPERSON NICHOLS: We'll wait for that.

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

BOARD MEMBER BERG: Plus nine.

OMBUDSMAN QUETIN: So we're going with nine in...
the next room. Was that nine opposed?

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

OMBUDSMAN QUETIN: And no equipment manufacturers were over there?

BOARD MEMBER BERG: No.

OMBUDSMAN QUETIN: Thank you.

CHAIRPERSON NICHOLS: Okay. So this is good.

Thank you, Sandy.

So now we kind of get a sense of where we are. And I think it's fair to say that, you know, this Board is -- we're in listening mode. We are here. We've been paying attention. We're taking notes.

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

So I want to ask you if you would at least consider either appointing a spokesperson for your row or not getting up and testifying unless you feel like you
absolutely have to. I don't want to waste your day. But
I just want you to know that you don't have to take your
time and ours to just get up to the microphone and say
your name and tell us that you're against it. Because we
already know that. And we've got you on our list and
counted you, counted the total numbers. So I can't really
do anything other than that. I can't tell you not to
testify. It's a public hearing. But I'd like to at least
urge you to think about that

BOARD MEMBER BERG: I think it's helpful for them
to know we did hear between 80 and 90 speakers yesterday
as well. So we've heard several of these concerns.
And I would also like to echo that having the
time to really review this with staff and giving the Board
time will also be very helpful for us in our
deliberations.

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

We are going to want to hear more about the

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

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

Okay. Tessa Woodmansee.

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

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

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

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

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

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. 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. Destroys a business model of the entrepreneur who saves money and invests it and provides employment and a tax base for the economy.

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

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

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

But you can help. You can help. One way you can help is you can allow some leniency to those of us that are subjected to more than one rule at a time. I'm subjected to three. These three will definitely put me
out of business.
You should also be able to consider that a truck that gets a 1,001 miles is not same that gets 120,000 miles a year. Contractors' trucks are support equipment. They go out to the job and park. A parked truck does not emit. I don't care what year it is. It's not emitting.
My trucks average eight to 10,000 miles a year. I have six trucks I get 60,000 miles a year.
The last thing is --
CHAIRPERSON NICHOLS: Thanks. Your through.
Thank you.
Enrique Arriola.
MR. ARRIOLA: Good morning, Board members.
My name is Enrique Arriola.
I'm for these rules. This issue is not about money for jobs. It's about health, life, and death. If you want to see how California will look without these rules, take a look at China and Mexico City. California will look just like them.
Auto drivers in California have smog test ever other year, smog devices, and catalytic converters. And it helped a lot to clean the air. Now all I'm asking is that truckers do their job.
Thank you.
CHAIRPERSON NICHOLS: Thank you.
MR. ARRIOLA: And I have more cards here.

CHAIRPERSON NICHOLS: Okay. We'll take them.

Ms. Plowman.

MS. PLOWMAN: Thank you, Chairman Nichols.

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

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

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

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

CHAIRPERSON NICHOLS: Thank you.

Ester Aguirre, Cecilia Trinidad, Andy Acott.

MS. WOODMANSEE: Yes, thank you.

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

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

So we had to call the police. They didn't know about the rule. Here we are the third largest city in San
Jose didn't know about the rule. And so we contact the police. The police gave our phone number to the corporation. We've got harassed. We got a phone call saying, "You better shut up about our pollution or we'll harass you with noise." And that's what happened. For two years we were harassed with blasting of that their horns 24/7 from every personal vehicle and every bus as they went out 24/7.

And this is what's happening that -- the enforcement of the idling rule, the police didn't know. Now we call the police about the smoking vehicle. The police don't come. Even though the police are supposed to be the enforcement arm. BAAQMD is supposed to -- Bay Air Quality Management District is supposed to help us with idling. They don't deal with it.

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

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

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

CHAIRPERSON NICHOLS: Carlos Haessler.

MS. WOODMANSEE: My name is Tessa Woodmansee.

CHAIRPERSON NICHOLS: We got your name. Thank you.

you. It's okay. Thank you.

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

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

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

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

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Carlos Haessler.

David Norris.

MR. NORRIS: Good morning, Madam Chair, Board and
staff. My name is David Norris. I'm the Director of
Transportation at Lakeport Unified School District. And
I'm representing specifically children in our district
that rely on the yellow school bus to get to school.
We transported over 650 students daily. Most
live beyond two miles from the school. Many from Indian
reservations and low income areas where there's no
adequate personal transportation. Sixty-five percent of
our students are from low income families.

I have been in the industry for 27 years. And
when I started, we were able to transport most of our
students. We've now been forced -- due to budget, we've
been forced to increase walking distances up to two miles. With midyear cuts, schools will be unable to come up with the match funds for bus replacement. The only way we can comply with this regulation is if the buses are fully funded.

Districts that do not get -- our district is in Lake County. And we are a full attainment air quality district, so we cannot access the AB 928 money. Therefore, the districts would be responsible for the $25,000 match, which I've already spoke to many of the districts -- three of our districts in our county that already got okayed for the grants. And they are not going to be able to come up with the $25,000. So the bus is just -- that money will be sent back and those buses won't be rolling.

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

CHAIRPERSON NICHOLS: Thank you.

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

CHAIRPERSON NICHOLS: Socorro Gaeta, Brian Cohen,
Michael Rae.

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

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

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

In California, because of that funding problem, where over 55 percent of our funds are coming from school district general funds and there's this incredible pressure on school districts to utilize their funds for testing and accountability standards, districts are making the tough decision as to whether or not the buses are going to roll or kids are going to come to classrooms. And in all cases, districts are reducing school transportation or eliminating that service.
As a policy-making body, you and we should be working together to figure out ways at the highest levels of government to train our students, our next generation to ride school buses and mass transit rather than turning them away and showing them the only option is individuals and single cars.

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

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Don Anair.

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

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

First is a letter from leading California authorities and public health and research expressing support for strong measures. These include the dean of the School of Public of Health at UCLA. Also the
California Conference of Local Health Officers. In addition, we have a petition from 5700 California residents supporting the reg.

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

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

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

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

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

So bottom line, I have two recommendations. One
to -- well, three.

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

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

CHAIRPERSON NICHOLS: Thank you. Thanks for your suggestions.

Anna Sanchez.

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

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

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

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

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

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

CHAIRPERSON NICHOLS: Thank you very much.

Mary-Michael Rawling.

MS. RAWLING: Good morning, Madam Chair.

Pleasure to be here today.

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

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

A year ago, we were engulfed in our valley ozone plan. And although we left the table dissatisfied, we are
still hopeful that your Board is still committed to 2017 and a shrinking block box, because we are still committed to helping you. Because without your leadership, 22 percent of children in the San Joaquin Valley along with tens of thousands of adults with asthma -- a chronic disease that once you get it, you don't grow out of -- will continue to suffer.

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

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

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

Thank you very much.
CHAIRPERSON NICHOLS: Thank you. Cameron King.

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

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

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

CHAIRPERSON NICHOLS: Thank you.

Susan King.

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

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

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

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

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

Today, my five-year-old granddaughter also has
asthma. Because of air pollution that we all breathe
every day, she has visited our emergency room so many
times that I have lost track of the number. At one point
last year, the emergency room doctor feared he would even
have to intubate her. Thank God that action was averted.

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

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

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Mike Paparian.

MR. PAPARIAN: Thank you, Madam Chair, members. I'm Mike Paparian, Executive Director of the California Pollution Control Financing Authority.

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

Among our programs, we have the California Capital Access Program for small businesses, or CalCAP. We worked very closely with your staff to design a financial assistance to help truck owners meet the new
Our participating banks indicate this program will work. It will provide financing to those who need it and might otherwise have trouble getting financing. And it will do so at costs below what they would otherwise pay.

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

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

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

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

Other banks indicate they will be able to do this.
at rates that are lower interest rates and with fewer no fees than they might otherwise charge.

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

CHAIRPERSON NICHOLS: Thank you very much.

Any questions?

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

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

BOARD MEMBER RIORDAN: And CalCAP is --

MR. PAPARIAN: California Capital Access Program. We've lent out since the early 1990s about $1.2 billion to California small businesses.

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

MR. PAPARIAN: They access it through our participating financial institutions. We have 57 banks participating in the program right now. And we do expect that to grow.
BOARD MEMBER RIORDAN: Okay. Thank you very much.

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

Yes, Cathleen.

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

CHAIRPERSON NICHOLS: Thank you.

MS. SHARP: Good morning, Chairman.

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

MS. SAKLAR: Good morning.

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

At the time, ARB reported that for our region approximately 1,300 annual premature deaths are linked to...
PM2.5 exposure.

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

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

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

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

We cannot afford to delay clean air. We must take action. Our health cannot wait. Relief from the $6 billion a year related health care costs cannot wait. And
valley SIP goals and commitments cannot wait.

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

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

Thank you.

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

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

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

MR. TALAVERA: (Through interpreter) I'm here because I'm the father of four children. And four of them had asthma. And they have been impacted by the emissions. My second child which is 17 now is in coma since he was 12 for a brain stroke. We're in the process of finding out if it was for the emissions. And I have him back at home.

So that's why I've asked for a fast decision without looking at the economical impact. Because in my
case, I'm not interested in the economical part, but
health.

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

CHAIRPERSON NICHOLS: Thank you very much.

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

CHAIRPERSON NICHOLS: Very good. Thank you.

I believe next on my list is Dan Sartell.

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

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

We've done our part. I'm a little emotional,
because I won all the money for the early grant money in
Sacramento. Turned in my paperwork. The staff denied our
trucks, because somebody they didn't do the paperwork right. Looked at the DMV records and believes a big-rig truck has a gross vehicle weight rating of 33,000 pounds, when 90 percent of all the agricultural trucks in the state operate under the gross combination weight rating of 80,000 pounds.

So my 1995 trucks that I was granted money by you folks, did all the paperwork that you wanted me to do, were denied because some person did not do their homework. So we've done our part. We're $1.6 million my company is putting up to help this problem. All this effort and yet, with all due sympathy to those with the health problems, you know, I'm personally offended that they're blaming us for this when there's lots of people out here trying.

And I apologize for talking like this. But I had notes. And I've sat here. I thought I could help you. And to help you, my last comment is Dr. Telles asked yesterday for staff to say how many companies will go out have business. So far my count is eleven as of today. Thanks.

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

Keith Pruett. Mr. Pruett.

Okay. Who is this?

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

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

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

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

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

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

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

Without these rules, what's CARB's plan to compensate employers for the 450,000 days of lost work
because there are no dirty diesel rules?

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

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

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

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

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

These rules are late in the making. These rules
take too long to implement. By continuing the human costs
and the tremendous financial drain on our economy, on the
people of the state of California is just not acceptable.

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

Thank you again, Madam Chair.

Chairperson Nichols: Thank you.

Keith Pruett.

Ms. Pruett: Actually, I'm going to consolidate
for my husband Keith and speak for both of us.

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

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

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

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

Yesterday, the Governor said we are headed for
economic Armageddon. Don't get me wrong. I'm all for
clean air. I'm a five-year volunteer with the American Cancer Society for life. According to the American Cancer Society and NCI, lung cancer is on the decline in California according to a report November 25th, 2008. The report shows significant differences in lung cancer death rates in different parts of the United States. In California, for instance, the lung cancer rate dropped by 2.8 percent per year among men between 1996 and 2005.

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

The point I'm trying to make everyone, is always blaming the trucks or truckers. How many of the 31,000 teamsters in the surveys were smokers or former smokers? Education and preventative screening about smoking is working. But according to the ACS, if we lose our jobs and we lose our health care, these cancers will be on the rise again. Please don't put us out of work. And if you must pass this rule, please give us more time to recover from this horrible economy. Thank you.
CHAIRPERSON NICHOLS: Thank you.

Betsy Reifsnider.

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

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

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

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

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

The central valley already has some of the highest poverty rates in California. In San Joaquin and Stanislaus County, the poverty rate stands at 15 percent.
And the child poverty rate is at 20 percent according to...
the California budget project. Twenty percent of our non-elderly residents do not have health insurance. And one in six of them have asthma. So our people cannot afford to subsidize these high levels of air pollution any longer.

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

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

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

Irvin Dawid.

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

Here is a handful of cards from Californians who feel as strongly as I do about the urgency of cleaning up
trucks and buses responsible for diesel toxic emissions severely impacting the health of all of us, especially those living along busy roads and highways as I do. The sooner these emissions are lessened if not eliminated, the sooner all of us will enjoy better health.

However, I have listened to the concerns of those who are opposed to this essential regulation because of the costs it will impose on them potentially even costing them their livelihood. How can anyone not be sympathetic? I think the proper response to those legitimate concerns is not delay or weaken the regulation, but rather to increase the funding available to comply with the regulation and to collect the funding in an appropriate manner. Rather than yet another bond or increasing registration fees, what better source than a very modest diesel fee with all revenues deposited into a new account called the on-road diesel account for the sole purpose of assisting compliance with this regulation.

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

Thank you.

CHAIRPERSON NICHOLS: Thank you, Mr. Dawid.

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

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

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

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

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

I think the DTCC is a better uniform program for this environment. And I would also think that that might
help with some of these people in the construction
industry where they can use this equipment, the 2004,
2005, 2006. You know, when these people bought this
equipment, it was in compliance. We didn't do anything
wrong. The rules are changing. We're trying to figure
out how we can comply with what you want and still
survive. Thank you.

CHAIRPERSON NICHOLS: Thank you.
Juvenal Bermudez, Irma Medellin, Wafaa Aborashed,
Justin Oldfield, Bill Allen, Sofia Sarabia.
Ms. SARABIA: Hello. My name is Sophia Sarabia,
and I'm here on behalf of the Center on Race, Poverty and
the Environment.

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

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

These exemptions or provisions disregard the SB
700 series which is based on a recognition that ag should not be exempted from these rules for clean air. It is time for agriculture to take its part in cleaning up the air.

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

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

I also have cards.

CHAIRPERSON NICHOLS: Okay. Thank you.

Bill Magavern.

MR. MAGAVERN: Good morning. Bill Magavern, director of Sierra Club California in strong support of both rules. I appreciate the work of the staff and the Board to get you this far. And I know you know that we
I need the rule to meet our clean air obligations to have any chance of having healthy air at the time when we need to, which really has been too long already. And I know that we're all struggling with economic impact. I was really struck yesterday in the staff presentation by the calculation that the benefits of the rule outweigh the cost by a factor of greater than ten to one. So it seems to me that this is a rule that we cannot afford not to adopt for the state of California. We also support the recommendations of the Union of Concerned Scientists for further improvements in the greenhouse gas rule, which is also going to be beneficial. And I think the Governor has really made it clear that California can have a healthy environment and a growing economy at the same time. And I think that you need to take this step to really make that happen for us. And I thank you for your work. And I'll hand in some postcards.

CHAIRPERSON NICHOLS: Thank you very much.

Greg Pile.

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

Thank you for the opportunity to speak to you this morning. I'm from Chaparral Honey based in San Diego County. Beekeeper and mechanic. We manage between 10 and 12,000 colonies in that area. We have 12 trucks we run,
and five of them are pre-1990.

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

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

I'm also frustrated by this rule, because at the stroke of your pen, my assets, my older trucks have been trashed, turned into toxic waste. Nobody wants them. I can't sell them, even at a reduced price. I have two of them I'm trying to get rid of in anticipation of this, and I can't sell them. Nobody wants them. The truck guy I just brought a truck from, he doesn't want them. Maybe Mexico wants them. But as far as I remember, Mexico is right next door. And didn't know if we wanted them running those trucks, if they're that bad here.

I'm taking possession of a new truck on Monday. First new truck our company has bought in 40-plus year history. And we did it to try to comply with this regulation. It fries me that I have spend $110,000 to get
this new truck that's three times what I normally spend to outfit our company with used trucks. And I can't buy used trucks right now that work to comply.

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

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

CHAIRPERSON NICHOLS: Your time is up. Thank you.

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

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

CHAIRPERSON NICHOLS: Thank you.

Andy Katz.

MR. KATZ: Thanks, Chair Nichols and Board members. I'm Andy Katz, representing Breathe California.
And we're a lung health organization that's very concerned about the serious health consequences that are happening as a result of diesel toxic pollution that's emitted in our state. Seventy percent of the cumulative air risk comes from diesel pollution.

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

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

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

What I want to encourage the Board to do is to not delay the implementation of this rule. There have been many workshops, and your staff has been very, very flexible in listening to what is the industry saying. And
there were revisions. There were very serious revisions 
that adjusted flexible compliance mechanisms. And the 
rule is very improved because of your staff's willingness 
to work with the industry.

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

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Vania Ahamdi.

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

We serve communities along the 880 corridor. And 
those communities are disproportionately affected by 
diesel pollution. They are paying for these effects of 
diesel with their health. They're paying for it through 
their pockets, trying to pay for medicine. Their children 
are paying for it by not being able to sleep well at night 
because of asthma.
And we urge you to adopt both regulations. And thank you.

CHAIRPERSON NICHOLS: Thank you.

Maria Barajas, Maxine Benson, Christine Cordero. We're getting behind on bringing people forward here.

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

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

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

Not only that, the waiting and the weakening of the rule will not solve the economic problems. But at what point do we say our children's lives and our community's health are equal to company's bottom line. I
have deep respect for the company owners in this room and
for the economy and how hard it is right now.

But I get really emotional, because we have lost
people we love. We have seen people sick every single day
for years and year and decades from this problem. And so
it's just really hard, because we have paid more than our
fair share in our health and our lives.

Seventy-one-thousand people with asthma are waiting to
breathe clean air. We cannot wait any longer. So we urge
you to really adopt these regulation without weakening
them and without delay. Thank you.

CHAIRPERSON NICHOLS: Thank you.

David Atwater, Mirna Ramos.

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

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

I am one of those guys who have been long time
family business. Saved all of our money, invested in our
trucks. A lot of the trucks are paid. Some of the trucks
we inherited from people who have gone out of business and
said, "Here, take my business, please. And take care of
my customers." We've taken over two companies in the last
Getting bank financing when diesel fuel was $5 a gallon, the bank said, "Sorry. There's no money out there for you. No money out there to upgrade your trucks."

Nobody wants to loan money for an upgrade to a truck. They might loan money for a new truck, but I just sold a 2007 truck from one of those companies that I took over. Why? Because I didn't want the $5,000 a month payment. I'd love to buy a dozen if you have a dozen trucks for sale for 800 bucks a month. I would go for that. That would be really good, because I could upgrade my fleet.

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

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

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

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

I'm sorry. Who are you?

MS. LEE: My name is Ana Lee.

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

MS. ROSE: Kathy Rose?

CHAIRPERSON NICHOLS: Go ahead.

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

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

As much as this regulation suits our agenda to maintain that success, we have strong disagreements with its basis. Despite those disagreements, I originally came here today with much excitement to introduce a new product that we are bringing to market in spring of 2009. We've made significant investments in transitioning our 36-year-old manufacturing process to address both the environmental and maintenance issues the trucking industry is facing today. Unfortunately, there is no time to show...
you our new highly durable 100 percent recyclable Nose Cone. Because after listening to yesterday's testimony, I felt it was more important to address the issues that make in regulation inappropriate as it is currently written.

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

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

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

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

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

CHAIRPERSON NICHOLS: You've used your time up.
Two minutes. We can take your written testimony and pictures if you've given the slides.

Ana Lee.

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

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

And just for some personal testimony, we recently completed an on-the-ground PM2.5 monitoring project with CARB monitoring. And wanted to testify that it makes you -- that it's just not great being out there with the diesel trucks. I felt light-headed. I felt sick for two
days. And I don't have asthma or preexisting health
conditions.

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

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

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

BOARD MEMBER D'ADAMO: Thank you.

Mr. Faulkner.

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

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

What we need to do -- we are all for clean air.
I don't know anybody in the trucking industry that is not
for clean air. We're not trying to stay we don't want
What we need is the funding to do this. It's going to cost me $7 million between now and 2014 to do anything with my fleet. That's a lot of money when my gross revenue is 6 million with a percent to two percent profit. Don't take much to do the math to see we're not going to make it.

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

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

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

I don't full under any grants. I can't qualify for any grants at all. I have 35 power units and 47 employees. If this goes through, I don't have no choice
but to fold up. And that's going to put 47 employees out
of business that have been loyal to me over the years. We
are in Tulare County and the unemployment rate is going
higher every day.

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

BOARD MEMBER D'ADAMO: Thank you, sir.
Glenda Deloney, followed by Tiana Drisker.

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

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

Oakland is an urban city that for decades have
inhaled environmental chemical hazards that overwhelmingly
suffocates the city. Diesel emissions has created chronic
respiratory conditions among 25 percent higher rate
children in the west Oakland area. Breathing the hazardous chemicals is inhaling a drug like unseen particulate matter that imbeds deep in the lungs. And other research problems among children are learning deficits, behavioral problems, and short-lived life spans as an adult inherited from childhood breathing conditions that leads to heart conditions.

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

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

Tiana Drisker followed by Jason Schmelzer.

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

CARB recently gave CBE PM2.5 monitors to measure ground level diesel PM experienced by residents in east Oakland. Why did we need this equipment? Because residents in east Oakland are experiencing a disproportionate amount of health impacts because of the emissions produced by thousands of trucks that drive through low income communities every day.
The negative health impacts are ramped, including asthma, respiratory issues, cancer, and epidermic allergy reaction.

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

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

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

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

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

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

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

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

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

Again it was mentioned earlier today, there is the base line. There is the current rule. And then there's a middle ground, the compromise. That's what we
are here to promote is a compromise.

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

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

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

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

We're here advocating for the advancement of a compromise. If you don't take that compromise, what we would urge is to take careful note of the process for the
BOARD MEMBER D’ADAMO: Thank you. We need folks to line up so we can move along here.

I'm going to read of the next 10, 15 names.

Vannlyda In, Brian Davis, Florintino Hernandez, Elizabeth Daigle, Ed Welch, Sarah Sharpe, Cheryl Moore, Camille Kustin, Brian Beveridge.

Sir.

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

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

And I know that a lot of it is coming from the diesel exhaust that we need to dramatically reduce here by passing a very strong, very powerful rule. Making sure that we don't delay this. That we don't weaken it. This isn't just an issue of health. This is also an issue as hasn't been said too much. What I heard mention again
this is an environmental reality that we're facing a world
where the icecaps are melting. Where we're seeing lots
and lots and more and more fires and droughts in
California and in other places.

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

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

Thank you.

BOARD MEMBER D'ADAMO: Thank you.
Florintino Hernandez and Elizabeth Daigle, Ed Welch, Sarah Sharpe, Cheryl Moore, Camille Kustin, Brian Beveridge.

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

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

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

Dr. Balmes was a part of an epidemiology study that said that increased lifetime exposure to ambient 03, our ozone is associated with decreased function of air ways. So in the future, these problems are going to be potentially great for us in the future.

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

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

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

BOARD MEMBER D'ADAMO: Thank you, sir.

Cheryl Moore.

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

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

I would like to ask the Board to help in revamping the Carl Moyer Program to increase the funding that's available statewide and also to make sure that
there is sufficient funding to make it down to the private rural businessperson.

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

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

Thank you.

BOARD MEMBER D'ADAMO: Brian Beveridge.

You are Camille? Just one second.

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

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

I'm going to get straight to the point.

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

Under the proposal, 70 percent of ag trucks will have no controls until 2017 and half will continue to emit diesel soot from 2017 to 2023. This will
disproportionately effect farm workers and profession and residents of rural areas. Provides no early protections for acute exposure to fine diesel particulate. This pollution affects some of the most vulnerable populations who have the least access to health care. We believe the Board can allow for flexibility for agriculture, recognizing its unique characteristics will also restore health benefits.

We simply request the Board do the following:

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

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

This time line will also allow additional time to access incentive funds. And there will be funds available for ag trucks. When specifically asked this question, the unequivocal response from CARB air districts staff from
Sacramento and San Joaquin was that there will be money available for ag trucks and it's historically been the case starting next year. California agriculture is successful, because it has been innovative.

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

So we also thank CARB staff for their work.

BOARD MEMBER D'ADAMO: Thank you.

Brian Beveridge.

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

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

Bunch of us came on a bus up here today. A woman at the bus stop said, "Where are all you going?"
We said, "We're going to Sacramento to talk about clean air in the neighborhood."

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

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

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

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

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

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

It's been demonstrated children's lungs are permanently damaged by exposure to diesel pollution. So for every year we delay, we raise another generation of people who need respiratory health care. I think at this point we need to have industry looking for ways they can
comply and not spending time delaying these regulations

BOARD MEMBER D'ADAMO: Thank you, sir.

Bill Gassaway, then Dick Stuart.

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

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

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

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

I don't really think that you even realize the impact this is going to have when tens of thousands of people like myself instead of, you know, large companies
we've heard from and stuff are affected by this. Your tax base is going to be affected traumatically. I mean, you'll see it overnight. You put tens of thousands of us little guys out of business, you're going to get your pink slips in the mail next week. It's going to affect California's economy bad. We need to evolve into this, but we need to do it slower, when we have an economy to do it with. Help us people out. We need help.

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

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

BOARD MEMBER D'ADAMO: Thank you.

Dick Stuart, followed by Lowell Robinson.

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

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

Want to focus on a small section of this rule that has a large impact on our industry. Roughly 32 of the cranes that we have in California will be impacted by
the two-engine crane provision described in Appendix L of the ISOR.

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

BOARD MEMBER D'ADAMO: Thank you, sir.

Lowell Robinson, followed by Brad Edgar.

MR. ROBINSON: Good afternoon, Madam Chair and Board. My name is Lowell Robinson from Nevada City, California. And I bought my first truck 61 years ago. Our company has been in the business. And we buy new trucks -- our first new trucks were bought in 1955, and we've been buying new trucks ever since. And it's very hard to keep up with.

With the economy the way it is right now, if we can get the Carl Moyer Program to help just a little bit more so we could change and get newer trucks -- there's no company that would rather have newer trucks than ourselves. All over the last two years, we bought nine...
new trucks. And even today there's one in the shop.
Those trucks almost -- of the nine trucks we got, almost
every day one of them is in the shop because it won't run.
Caterpillar is the manufacturer of that engine. They did
not get enough time to manufacturer that engine so it will
work in the time that we need.
So I'd ask for a little more of the Carl Moyer
money and not quite so many regulations. There's so many
regulations in it that it's hard to meet that demand in
the Carl Moyer Program. And if we can go a little bit
slower, Rome wasn't built in a day. Thank you.
CHAIRPERSON NICHOLS: Brad Edgar.
MR. EDGAR: Chair Nichols and members of the
Board, thank you for the opportunity to testify today.
I'm the President of the Cleaire Advanced
Emissions Controls, a California-based manufacturer of
retrofit devices.
We are here today in support of the rule.
I would like to make a couple of comments about
emission controls.
We've been involved in the retrofit business
since 2001. And since that time, we have retrofitted
thousands of vehicles in California to support the fleet
rules you've already passed. Over the past two years,
we've invested heavily to expand our product portfolio and
our manufacturing capability to ensure that we are ready
to support this rule.

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

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

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

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

CHAIRPERSON NICHOLS: Thank you.
John Clements.

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

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

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

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

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Gale Plummer.

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

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

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

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

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

Thank you very much. If there are any questions.

CHAIRPERSON NICHOLS: Thank you, sir.
Rodney Edwards, Larry Greene.

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

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

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

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

Thank you.

MS. RATNER: I just wanted to say in addition to Michael, there are a number of other students from Oakland High and Mandela High. Just in case they don't get a chance to speak, I wanted them to be able to stand up. So
here are our students who have come here from Oakland to talk on the rule. Thank you.

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

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

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

CHAIRPERSON NICHOLS: Thank you very much.

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

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

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
High School.

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

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

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

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

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

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

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

TIMMY: Hi. My name is Timmy. I'm a senior at Oakland High.

MS. NUNAN: I'm Katie Nunam. I'm a teacher at Oakland High School.

And a lot of students have prepared statements for you.

Those students who have asthma or friends and relatives who have asthma, please raise your hands please now. Thank you for listening to us.

CHAIRPERSON NICHOLS: Okay. Thank you.

And, Jill, you're listed as speaking later in the
program. We have statements here, too. Do you have a statement that you wish to give at this point?

MS. RATNER: Thank you. Yes.
My name again is Jill Ratner. I work with the Rose Foundation for Communities and the Environment.
And one of our programs is an environmental education program. We've been working with Ms. Nunan and Ms. Arabia at these two schools. These are schools where the average asthma rate for the ZIP code the students live in is approximately three to four to six times the state average.
As you saw, over half the students in these schools either have asthma or have someone close to them who has asthma.
Fremont High School in particular, which is the larger community school in which Mandela High School is located, is immediately adjacent to a truck route. It is approximately four blocks from another truck route, approximately five blocks from another truck route, approximately seven clocks from one of the busiest freeways in the area.
These kids are very much impacted by the rule. And their lives are going to be effected by your decision and the lives of their friends and family.
We all recognize how difficult it is to move
forward with this rule at this time. But we also want to
make sure that you had a chance to see some of the
students who are counting on you to protect them and their
lungs and their friends and their families lungs.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you for coming and
for the work that you are doing with the students. Thanks
to the teachers as well.

Steve Roberts.

MR. ROBERTS: I'm Steve Roberts, an
owner-operator on the north coast. I am only going to
bring to your attention something that hasn't been
mentioned yet. In 2007 --

CHAIRPERSON NICHOLS: Speak into the mike.

MR. ROBERTS: -- I priced a power unit to replace
the one I have equipped to do the work I do. The price
tag is $200,500.

Now my little niche I've got I can run under
50,000 miles a year, support my lifestyle, and pretty good
deal.

If I buy that truck, my annual mileage is going
to have to go to 110,000 miles a year. There's 60- to
70,000 miles more than my normal low mileage.

So the newer truck gets a percentage less fuel
mileage than the present truck I run now. All your new
trucks through the owner-operators newsletter say all the
2007-08 trucks are getting less fuel mileage than the old
manual motors.

So I don't know on either side of this how it's
going to help anyone if I have to burn that much more fuel
a year to pay for the truck that's going to fall in
compliance with your rule.

Thank you for your time.

CHAIRPERSON NICHOLS: Okay. Thank you.

Ms. Nunez.

MS. NUNEZ: Good afternoon, Chairman Nichols and
members of the Board. My name Blanca Nunez, and I'm a
life-long resident of Pacoima, a suburb located in
northeast San Fernando Valley in the city of L.A.

I'm also a staff member of Pacoima Beautiful, an
environmental justice nonprofit organization that provides
environmental education and develops local leadership to
help environmental changes.

Started in 1996, the organization began with five
mothers working in the community and now creates
community-based environmental information through resident
engagement and through collaborative partnerships with
government agencies, university partners, and community
organizations. And our members have submitted written
comment in support of the regulation.
I'd also look to submit these postcards.

CHAIRPERSON NICHOLS: Thank you.

MS. NUNEZ: Located just north of the dirty landfills, surrounded by three freeways and traffic diesel exhaust, bisected by a major railroad, and home to a private computer airport, as well as over 300 industries, Pacoima is an environmentally impacted community.

Through our work in the community, we have found that people are concerned about health and the exposure to numerous sources of pollutants. And as a community, we need access to the information, tools, and resources that will enable us to protect our health and the well being of our families.

On behalf of Pacoima Beautiful, I'd like to strongly urge you to support the diesel truck and bus regulation as slashing diesel emissions would greatly reduce the incidents of asthma and other respiratory illnesses in my community.

I would also urge you to adopt --

CHAIRPERSON NICHOLS: Your time is up. Thank you.

Jorge Villanueva.

MR. VILLANUEVA: My name is Jorge Villanueva, also with Pacoima Beautiful. We're an environmental health injustice organization located in northeast San
And part of the reason why I'm here and why I do the environmental work that I do is because I think the environment is really important. But also I understand the concerns of the business sector. I come from a working class family. My parents both worked in industry. I have a small family here. We're immigrants. And my uncle was a truck driver in the same company that -- same factory my father worked in. And through the industry we were able to get our slice of the American pie.

But I also grew up with asthma. And I was diagnosed with asthma when I was seven. I had to -- it impacted me. It impacted the way I was able to participate in my childhood. I was in and out of the doctor's office. I was in and out of the emergency room. And the reality is that I think the economic issues are really important. But what about the health issues? And I think we need to look at both carefully and make adequate choices.

Unfortunately, when someone has asthma, they don't get a do over for their childhood. When someone dies of cancer and it could have been prevented, they don't a do over.

But the reality is that with business, you do get a do over. You can fail in business and start again and
succeed.

And I think that we need to figure out a way to support the business community, but we can't overlook and we can't do it at the expense of health. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Steve Azevedo.

MR. AZEVEDO: Good afternoon and thank you for the time.

I'm Steve Azevedo with Knife River Corporation. We do construction, sand, and gravel production. And we also do marine construction, which means not only do we have to comply with this regulation, the off-road regulation, the portable fleet regulation, but we are hit with some of the port rules and the marine diesel rules.

Considering this influx of rules that we are hit with all at one time, I would like to ask you to consider the DTCC proposal which will allow us more flexibility in the early years, yet still reaching the same end goal.

I don't want to repeat a lot of the things that have been said, but as a couple speakers ago mentioned, the fuel consumption on our newer trucks 2007 and newer is about 25 percent greater. We track our fuel pretty closely.

CHAIRPERSON NICHOLS: We're not timing this one?

Sorry.
MR. AZEVEDO: Our fuel consumption is about 25 percent greater with the new trucks. Which what does this mean? This means more carbon in the atmosphere which is in direct conflict with the greenhouse gas measure you passed yesterday. I haven't seen any analysis from staff on what the regulation actually does with greenhouse gas and other things.

So without repeating other things, that's all I'd like to say right now.

CHAIRPERSON NICHOLS: Okay. Thank you.

Rick Bettis.

We are back to waiting for people to come line up.

Okay. Steve Weitekamp.

MR. BETTIS: Thank you, Madam Chair.

Rick Bettis, I'm a volunteer member of the Breathe California Sacramento Chapter, Health and Policy Committee, and here to support the staff. I think the staff has done a wonderful professional job and urge you to adopt this measure.

On a personal matter, I grew up in the central valley and had several family members affected by air quality conditions. And I've lost two of them. And also I had both a brother and brother-in-law in the small trucking business. And I think they would both agree with
the going forward on this rule because considering the health effects and they went through good and bad times in their business but survived that. But not the health effects. So thank you.

CHAIRPERSON NICHOLS: Thank you, sir.

Steve Weitekamp, followed by Patricia Sanchez.

MR. WEITEKAMP: Good afternoon. My name is Steve Weitekamp. I'm the President of the California Moving and Storage Association. And on behalf of its over 550 members companies, I ask that you not move forward with the implementation of this onerous regulation in its present state.

This program will cause an undetermined number of California small to medium-size moving companies, some family-owned for two or three generations, to go out of business. This will negatively impact a competitive marketplace that benefits the moving public.

I've received comments from many movers around the state. The following is a dispassionate representation of their comments.

Companies like ours Are being asked to dispose of equipment and assets before their useful life has been completed and purchase new equipment before it would otherwise be acquired. A combination of this proposed rule and the state of the economy have left the trade-in...
or resale value of our equipment worth pennies on the dollar. We simply don't have the resources to access the capital to retrofit our engines.

If we are able to survive, we will be forced to reduce our workforce, putting further downward pressure on the economy. Our industry, with its model of low annual mileage and long equipment life, will be more negatively impacted than many and will not qualify for existing grants or loan programs.

In the interest of brevity and to avoid repetition, I ask that you please review the comments of the Monterey Bay Unified Air Pollution Control District in opposition to the CARB proposal. Their clear and concise resolution addresses issues that directly impact the moving and storage industry.

CMSA has joined with DTCC and support their alternative proposal. Even the DTCC proposal will create hardships for our industry. But companies will at least have a fighting chance to survive. Just to say you know

CHAIRPERSON NICHOLS: We're out of time. Sorry.

Patricia Sanchez, are you here?

Martin Ward. You're speaking for him, too?

MR. RHOADES: I'm only going to talk about the things that are different. Lots of points and you have it before you. He wants to focus on buses and thinks diesel
particulate traps are good, but only for buses that are older than 2004.

CHAIRPERSON NICHOLS: Thank you. You're doing a good job for interpreting for others.

Manuel Cunha.

MR. CUNHA: Good afternoon. Thank you very much.

Nisei Farmers League.

The rule has been a long process. It's more than 18 months, and I felt like it's been ten years. I know that I'm getting a little older. Maybe grayer, but I ain't accepting the gray, that's for darn sure.

I want to thank everybody, the staff, for the hard work.

I'm not in favor of it. I think anybody that has businesses has a lot of concerns. But let that be said. We have to deal with it.

I do want to focus on one thing I would hope the staff and the Board would be very cautious on. In your provision on page 33, you do emphasize enforcement. We will have to be very careful in agriculture, because under the Department of Labor, there is a provision called the Hot Goods Amendment. The Hot Goods Law of 1938, which deals with agriculture and its products upon when trucks are being held or not held, when products are being held based upon various issues. So I can see a problem heading
that way with brokers. Our agricultural brokers in other
states will not have the knowledge of what's going on for
the enforcement of this to make sure if a trucker is
coming into one trucking house or nine packing houses.

So what I would ask the staff to be very cautious
and work with industry on this enforcement part. I don't
think the public or the business person should be
responsible to enforce the regulation to know what they
are as you know how complex it all is. So I would
encourage you to deal with that part of it, because it is
important.

Everybody has heard about the economics.
Everybody knows where I'm coming from on the economic
issue. We are a state of $3.48 trillion that's total
California's dollars, revenue dollars that makes this
state. And we are 27 percent of the United States budget.
So when you look at that, that's a huge amount of dollars.
And I do appreciate the staff's efforts, especially Jack,
for trying to work on -- trying to deal with Carl Moyer
funding and all of these issues. We need to make them
flexible. We need to make them work and figure out
moneys.

Thank you for all the hard work, everybody.

Thank you.

CHAIRPERSON NICHOLS: Dennis McFarland.
Mr. MacFarland: Madam Chair, Board, I'm Dennis MacFarland, a third generation log truck driver. Thirty-three years ago, I used $3,000 that I had saved to buy my first log truck. That and the very friendly banker put me into the business.

One of the reasons I'm bringing this up is I think with this current rule as proposed we are not going to give the ability for young guys to get into this trucking business, whether it's log truck, highway truck, or whatever. And I think that's something that's really important. Without the influx of young people into this business, it's the life blood of our trucking industry. And I think this is something that really needs to be looked at. Thank you.

Chairperson Nichols: Thank you.

Pete Fredotovich.

Lan Dahn.

Ms. Dahn: My name is Lan Dahn, and I work for the School Transportation Coalition.

Unfortunately, many of the school districts aren't able to attend today and could not participate in this hearing. Due to the fiscal crisis travel has been curtailed by most of the school districts.

For this reason I'm here on behalf Mr. Kirk Hunner, who is the CEO for Southwest Transportation, which
serves eight school districts in the Fresno County. California ranks last in the nation in the percentage of children that, even though school buses are the safest form of transportation. He is concerned that additional regulation and mandates rules will result in fewer children riding school buses. He also believes since ARB wants to improve air quality, they should do everything within their power to replace old school buses and secure additional funding for school transportation. Replacing the pre-1987 buses would protect the health of our children and would be more cost efficient than traps. His experience with traps make him believe that spending money on these traps is making another cottage industry wealthy at the Ex expense of our children. Thank you.


Oh, you're Alek.

MR. KRESS: Hi. My name is Alek Kress. I'm a senior at Oakland High School. I have a friend named Timmy who I've known since elementary school. Recently, I found out he has asthma. And yet he still plays tennis for our team. I never want to see him
get an asthma attack from small and large particles in diesel pollution from trucks.

Please consider creating and enforcing a rule that will make truck drivers and corporations retrofit their engines to reduce diesel fuel pollution.

Thank you for your time.

CHAIRPERSON NICHOLS: Okay.

Charlie Simpson.

MR. SIMPSON: Thank you, Chair Nichols and the Board.

Thank you for your time to speak. We felt it was really important to come today. We've been working with staff for 18 months as we've been trying to develop this rule.

I work for Golden State Peterbilt that sells new vehicles and used vehicles in the San Joaquin Valley. E.M. Thorp is our parent company and has been around for 70 years. Started in 1935 with the purchase of one used truck. We now employ over 300 employees.

I had a full statement here that we were asked to prepare for the two minutes, but I'm going to back off of that in lieu of time and just bring up a couple of issues. As the rule is written today, we are not approving this as it's going forward and for several reasons.
One is we understand the need for a rule and we want to help support that. Our problems are is that we understand the rule is needing to come, but it just doesn't do what we need to get done as far as industry.

With that, we would ask that the staff work together with industry even more and come up with a rule that can pass and keep people in business.

Earlier this year, at one of the workshops in Fresno, we found out -- or at least the staff told us that even with this rule that we would not meet our SIP requirements. That becomes a heavy issue if we don't meet the SIP requirement and we're going to put everyone out of business, what are we doing this for?

Last thing, SmartWay was designed as a system for the EPA and not as certain pieces that you can pull out of it. Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

We're going to take a very, very short break for everybody's sake. I think we can actually do this in 20 minutes, 25 minutes, and people can stretch. And we'll be back I have ten of. Let's start again at 2:15. That will be lunch. I'm sorry. 1:15.

(Thereupon a lunch recess was taken.)

CHAIRPERSON NICHOLS: Let's resume.

Michael.
MR. COLLIER: Thank you, Madam Chair and members of the Board. I have already submitted some written comments by the website I don't have much to add to that. But I do have a couple of questions and concerns that have been raised since I've been here, particularly dealing with the fairings on these trailers.

These fairings that are being proposed to go on the rear of a trailers will increase that trailer's length by four feet. How is that going to be reconciled with the overall length rule in the state of California? And is there any kind of provision for those of us that haul 57-foot trailers already that aren't allowed to proceed past that overall length?

Basically what I want to know is the 300 trucks that haul 57-footers, are we going to go out of business when everyone else can still be hauling a 57-footer and essentially with these fairings?

CHAIRPERSON NICHOLS: There is an answer to that question which was given this afternoon. Maybe somebody wants to repeat it right now in terms of federal and state -- feds have already certified, and the State is looking at it. We'll have this resolved.

MR. COLLIER: What's the likelihood of the length rule being increased?

CHAIRPERSON NICHOLS: I think it is very likely.
MR. COLLIER: Thank you very much.

CHAIRPERSON NICHOLS: Chuck Wolf.

BOARD MEMBER BERG: Madam Chairwoman, wouldn't it be fair to say if it wasn't, we would have to take a look at that?

CHAIRPERSON NICHOLS: Absolutely.

BOARD MEMBER BERG: So we're not going to pass something --

CHAIRPERSON NICHOLS: That puts you in a bind.

BOARD MEMBER BERG: That the federal government or the State highway is not going to let you do.

CHAIRPERSON NICHOLS: Right. Okay is Chuck Wolf here?

Is Paul Buttner here?

MR. BUTTNER: Yes. Thank you. My name is Paul Buttner here representing the California Rice Producers. We have about 500,000 acres of rice in the Sacramento valley. About six to 700-acre family farms is what makes up our industry. Still very much the family farm in the Sacramento Valley.

First and foremost, I would like to thank your staff for working so closely with us really at every turn. They diligently analyzed all of the ideas that came forth about a potential agriculture provision. They were very clear on what the limits were, what they could do and what
they couldn't when balancing the needs for attainment and other public health issues. Really appreciate the hard work of your staff in that area.

Through our meetings and discussions together, we really identified a number of issues about agriculture trucks and why they are unique and different in California.

First and foremost, agricultural trucks are on average eight years older than the statewide fleet. That speaks strongly to the fact we depend on used trucks to purchase in our industry.

These trucks are used very, very low miles and seasonally. And the vast majority of them simply go from a field to a first point of processing. For rice, that would be a field to a dryer. And all the dryers are located up in the agricultural areas. So these travel distances are very short.

I want to emphasize that you are not eligible for this provision unless you're going to a field first point of processing for these farmer-owned trucks.

We have about 22,000 ag trucks in the state of California. That's about five percent of the total statewide fleet. We are about four percent of statewide emissions from these statewide fleet of trucks. Yet if there was no provision considered by your staff, the
agricultural industry would have incurred almost 20 percent of the compliance costs of this regulation, even though our emissions are four percent. So with the provisions that your staff has put forth, we estimate our compliance costs to be about eight percent, which is still somewhat disproportionate but much better than without those provisions.

A few take-home points. First of all -- all ag trucks will be replaced

CHAIRPERSON NICHOLS: Your buzzer has just gone off. I apologize.

MR. BUTTNER: I heard it, but --

CHAIRPERSON NICHOLS: You're over. Sorry. We got to enforce this.

Mark Osborne.

Renee Pinel. Gone.

Laura Fultz Stout.

MS. FULTZ STOUT: Good afternoon. Thank you for your marathon time to this issue of the diesel truck rule. My name is Laura Fultz Stout. I'm a 30 year resident of the city of Fresno. I work and live and enjoy being with family and friends in the Fresno-Clovis area. There's just one problem. This region, my home town, has recently been classified as an extreme non-attainment air quality zone.
The family and friends and myself, our health and lives are compromised due to the extremely poor air quality.

My husband and I are excited to buy our first home and would like to settle down in this area. But due to my diminished ability to breathe in this area, we're faced with the choice between living there and leaving our family. Thinking about leaving friends and family is very disheartening. But one thing fortunate is we have that choice to leave this very bad air quality basin. And others are not.

I'm here today as a concerned resident who intentionally started to work on the air quality problem by joining the Coalition for Clean Air, a statewide organization that's been working on clean air for 37 years. They recognize that the San Joaquin Valley is an area needing a focused and comprehensive plan to get the diverse resident population to cleaner air sooner rather than later.

Getting to the main point of my testimony, through my work with the Coalition for Clean Air, I've had the privilege to work with many truckers, about a dozen, and smart innovative San Joaquin Valley truckers and their companies. These truck companies range from produce, seasonal harvest trucks, beef trucks, and other goods.
movement truck.

A number of the owner-operators of these truck companies have seen the writing on the wall over the last ten years, five years, and they're getting ready. They looked at their inventory, started making plans to retrofit or replace trucks. Some have already received funds --

CHAIRPERSON NICHOLS: Your time is up.

MS. FULTZ STOUT: Thank you. Please pass this rule.

CHAIRPERSON NICHOLS: Mark Matheson.

MR. MATHESON: Hello. I'm Mark Matheson from Matheson Trucking.

I'm here to only talk about on-highway trucks. As far as -- there is a lot of great testimony that's been made here. We're in favor having clean trucks not polluting the society.

But the concern I have is how is it going to be enforced. What we often see that is one company or one size company has to be managed. The other sizes are not. We see that with water. We've seen it with several things. And if we lose our work, a lot of it will go to other people. And I would like to know they're being held to the same standards.

As far as the SmartWay, we are in agreement with
the SmartWay. We have X1 tires. We have aerodynamics.
We have a new trailer coming with the ground effects on it.

The thing that we have seen over the last 25 or 30 years is it's not a one-size-fits-all. We have trucks that run in stop-and-go traffic. Aerodynamics don't help them a bit. And we in fact a lot of times where we've pulled them off because they get damaged.

One gentleman commented about the low ground, that they would have ground clearance. We've seen that. Our customers sometimes tear up our nose cones.

One of our largest customers is the Postal Service. They're not happy to play to replace that. So I just want to make that comment.

We have several trailers running across the nation with all different types of aerodynamics on them. We think it's a great thing. But we would like to see you not make it unilateral across the trucking industry.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Kelly McKechnie, Felipe Lopez.

MR. LOPEZ: My name is Felipe Lopez, and I belong to the -- well, thank you for the time. I belong to the nonprofit organization of southern California.

All I want to say is that there is more people
been affected by pollution including animals and plants than people being affected by the economic impact of these regs. I'm sorry for all these people, but I think health and environment should come first. So we are in favor of these regulations.

Thank you.

CHAIRPERSON NICHOLS: Thank you, sir. Charley Rae -- Mr. Rae.

MR. RAE: Charley Rae with CalCIMA, which is a California Construction and Industrial Materials Association, trade association for aggregate and ready-mix concrete producers throughout California.

Our members basically supply local building materials for roads, bridges, schools, highways, waterways, et cetera.

We're urging adoption or consideration of DTCC alternative primarily because it provides a more achievable compliance schedule. Also particularly because it has low mileage provisions which are important for a lot of local suppliers. Helped them out a lot.

Our members have a lot of different fleets. Different ways they're effected by this regulation. Typical fleet with the ready-mix concrete mixer truck fleets, they are typified by generally traveling short distances. Average job is within a 15-mile radius.
Longer turnover time. They have complex equipment that's difficult to retrofit. And they often operate under the power take-off units which reduces the engine performance and leads to plugging of the filters when they're attached.

In general, our members are supportive of the efforts to reduce the diesel emissions. They've been trying to do what they can. Purchasing the newer tiered engines as they can. This has come at some cost to them too because generally the newer engines you have more expensive oils. You have more expensive coolants. You have loss of fuel economy, anywhere from 15 to 25 percent as you go from one tier to the next.

Of course, it's all been made more difficult to get ahead of the game with the economy, credit tightening, and difficulty of getting the funds, whether it's Moyer or Prop 1B or one of the other grant programs. I know it's particularly an issue for some of our members in the San Joaquin Valley.

In closing, we just urge the DTCC proposal be given more consideration. One thing I think --

CHAIRPERSON NICHOLS: Sorry. Thanks.

Luz Elena Tafalla.

MS. TAFALLA: Good afternoon, Madam Chair and Board members.
My name is Luz Elena Tafalla, and I am here representing Consejo de Federaciones de Estados Mexicanos. They provide leadership training to concerned citizens for seven months. I live in community along with a lot of groups who are here with me. And we are here because we are supporting the proposed issue and CARB. Because living in the area of San Fernando valley, I can not have a good. I see hundreds of families who are contamination around us. And we consider this is very important for the health of our children, for the health of the citizens. And we are expressing our concern. And please our voices. You have the power to make the decisions that's going to save the life of a lot of seniors, children, and for the health and better of community. And please hear our concerns.

Thank you for the time. Thank you.

CHAIRPERSON NICHOLS: Dr. Richard McCann, are you here?

Dr. MC CANN: Good afternoon. I'm an economist with the Aspen Environmental Group, and I've been retained by CIAQC to make comments on this. I have written comments that I submitted on the general economic methodology on benefit estimates, impacts to individual industries and firms, and on scaling up costs of statewide impacts.
But I wanted to talk about two particular issues. One is on the baseline assumptions that it is -- you should be making comparisons across alternatives that should start with your initial assumptions. They're already in the document. And then changing those baseline conditions. And then making comparisons against those baseline conditions.

The DTCC alternatives takes this approach, but the staff should modify theirs to do the same thing.

The other thing is that you need to consider the synergistic effect with AB 32. And that's not evident in the document on the diesel in-use rule. You need to take into account the effects of VMT and changes in fuel composition from AB 32.

But the final thing I want to talk about is that when you move forward with implementation, you should also tie this to funding for compliance. That you basically you created a public benefit which should be funded by the public. And you've shown large net benefits. That means that you should be imposing the costs on those who are benefiting most.

The rule includes mandated scrappage in it which would eliminate the economic value of much of the existing equipment and most of those trucks that were purchased were purchased under the assumption that they were
compliant with the environmental rules at the time.

The Board should recognize the intent that was
made by those fleet owners and should help further
compliance with the rules as they change them in the
future.

CHAIRPERSON NICHOLS: Thank you.

Christine Davis. Gavin McHugh.

MR. MC HUGH: Madam Chair and members, Gavin
McHugh on behalf of the California Manufacturers and
Technology Association. Thank you for the opportunity.

I will be very brief.

CMTA is very concerned about this regulation and
the impact it will have on the cost of doing business of
every company manufacturing in California that receives
their raw materials by truck, delivers their finished
product by truck, or in any way depends on the goods
movement system in California.

Unless a manufacturer has no out-of-state
competitors and only sells within the state, they will be
at a disadvantage to manufacturers elsewhere.

This rule will make California manufacturers less
competitive because of the increased cost to receive the
raw materials and the increased cost to move their
products to market.

CMTA supports the DTCC proposal. We think it's
more cost effective and provides necessary flexibility to meet some of these requirements. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Steve French. Mark Sisco.

MR. SISCO: Good afternoon. My name is Mark Sisco. I'm a heavy equipment mechanic and inventor. I'm here this afternoon to ask for your help in moving forward in the building of a new type of motor. The principles have been used in high horsepower two-stroke diesels for over 70 years. I twisted this design enough to create a four-stroke engine that will be very small and compact in size and very powerful. It's now being produced for the government, for the military, and light, small aircraft in two-stroke diesel form. I'm asking you folks for your help today. Thank you.

CHAIRPERSON NICHOLS: Okay. You can send us some further information, and we can try to get a response on that.

Jason Osborn.

MR. OSBORN: I'm Jason Osborn, Director of Transportation for Manteca Unified School District. We serve about 23,000 students in south San Joaquin County. I'm here today to relate to you that I believe this equates to a mandated cost to impose this on school
districts in tough economic times.

I would suggest that as you go forward you tie this to funding. Maybe under the Lower Emissions School Bus Program or something like that for implementation.

My main concern is this is going to effect students. What affect does this rule have when we take ten buses out of a rural school and replace it with 250 to 300 motorists? School bus comes in, shuts down to prevent idling. These cars are going to sit in congestion and create more air quality problems.

I also am concerned we have a number of students in rural areas. Implementation of this rule and costs passed on to the school district will result in them losing their transportation. We simply don't have the budget to do it and are facing further cuts this year.

This will effect students' safety. If we remove students from school buses, the safest form of transportation and place them in private passenger cars, they will be less safe.

I encourage you to delay implementation of this and to look for other funding sources before you implement it. Let's not leave children behind.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Steve Rhoades.
MR. RHOADES: This is the last time.

CHAIRPERSON NICHOLS: Who were you this time?

MR. RHOADES: Riverside County. And there's just two points.

The first is that Riverside County as you know is a growing county. And due to the arcane school finance transportation --

CHAIRPERSON NICHOLS: You need to get closer to the mike.

MR. RHOADES: Due to the arcane school financing transportation laws, they receive very little State aide. This is not your problem. But it just shows that they do have less money to spend on buses and transportation. So they have more difficulties.

This is one tiny issue I would like to bring to your attention. One of their districts failed to do the annual emissions studies as required by ARB. They thought it was every two years. And so they are going to be fined I think $18,000 with a press release.

And I don't know all the specifics of this. But part of the comment that was made was, well, we take this from ARB staff. We take this real serious, because we want to show everybody we're serious about this. $18,000 is still a lot of money for the school district. Maybe they should be fined.
But I would just urge the staff to have some appreciation for the conditions of the school districts. When people do something wrong, you should hit them and do something appropriate. But just use a little judgment. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Christine Foster.

MS. FOSTER: Hi. Christine Foster, Tulare County Asthma Coalition. I'm a respiratory therapist, and also a Citizen's Advisory Committee members on the San Joaquin Valley Air Pollution Control District.

And so you obviously know that my issues do go towards the health end of things. We have put in air quality flags at the schools. Their colors correspond with the colors of the air quality to warn parents and children when the air quality is bad so that they -- the ones that have lung issues or heart disease issues, those children can stay indoors on those days. Actually, I think that's pretty extreme that it has to be done that way.

But other people have had some really wonderful stories to tell, and I'm not going to focus in on that. What I have noticed in our area is that the professionals don't want to come to our area because of our extreme air quality issues. We're in extreme
non-attainment.

We're also losing our professionals to other areas like the Bay Area, Oregon. And they're in the newspaper, so I know that that's backed up. So we're losing professionals. We're not attracting professionals. And our children that are being educated are moving out of the area and into cleaner areas.

So I just wanted to say there is an impact on the economy locally that may not have been explored yet today. And I do urge passage of these regulations.

But also I urge that you also work on the incentives and looking at different ways of funding some help to industry. In the San Joaquin Valley, we have the DMV fee that was raised to help fund that.

Thank you.

CHAIRPERSON NICHOLS: Okay.


Oh, here, running down. Okay.

MS. HANSEN: Hi. I'm Jacqui Hansen, and I'm here with Breathe California.

And I want to urge you to adopt the proposed regulations and reduce global warming as well as toxic emissions and to do it quickly with no delay.

I have bronchial asthma, and I have some other health issues that were handed down to me from my mom.
But these things can be affected by you with, as they say, a stroke of the pen. And I would like to see my future to be without one of those canisters with a little hose on it. I really appreciate your looking at this and passing it quickly. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Eric Sauer.

MR. SAUER: Thank you, Madam Chair and Board members, for allowing me the opportunity to speak with you. My name is Eric Sauer with the California Trucking Association.

I guess what we've learned from testimony so far is that ARB staff has essentially dismissed the impacts of the current economic crisis on emission forecasts with a half-baked analysis that trivializes those impacts.

ARB staff does not know how many trucking companies will go out of business because staff erroneously believes Prop 1B funds will prevent such a thing from happening; that the narrow restrictions on Prop 1B will severely hamper their ability to relieve costs of the truck and bus rule; that the prospect of the pending truck and bus rule has sucked the current trade-in value out of used trucks and is preventing truck owners from using them to buy new trucks.

We feel that ARB needs to reevaluate the emission
inventory and re-visit that DTCC proposal. Also
performance an outside economic impact study to understand
the true impact of this recession. Thank you.

CHAIRPERSON NICHOLS: Raquel Ortega, Brian Davis, Julie Sauls.

MS. SAULS: Hello.

First, I just want to take this opportunity to acknowledge the efforts of everyone that has worked on this project.

I also though want to acknowledge the efforts of all the members of the DTCC coalition for all the hard work and their presence over the past two days and your diligence in listening to all of their stories.

I think what's important is we look at this from three standpoints. We need to look at this from the standpoint of the economy, income, and equipment. Because those are the three key factors of what we are discussing here today and have been over the course of the past two days.

Three things that you need to take into consideration is when the staff put out their analysis while we were in the height of our downturn, although can't stay it was the height then because it's getting worse every day, nothing was taken into account about what's going on with the current economy. Their only
reference was to call it insignificant. And I think you have heard over the course of the past two days nothing but a lot more than insignificant.

Secondly, the availability and the cost of the equipment I think there are vast discrepancies between what we have been telling you and what you have heard in the staff report. Please, I urge you to re-examine that issue.

I think it is extremely important that you also take into account the income levels that this industry is currently facing and their ability to make these investments. The lending institutions aren't in a position. They have been tightening down with the financial market. And I ask that that be re-analyzed.

Finally, I would just close and say we'd really like to work together with you as a partnership with the coalition and with the staff and the members of the Board to create a regulation that is achievable and does reduce emissions. And I thank you very much for all your hard work.

CHAIRPERSON NICHOLS: Thank you.

Is this Marshall Woodmansee?

MR. WOODMANSEE: My name is Marshall Woodmansee. And I want all diesel buses to become electric and diesel trucks to clean up their engines. You are not the Profit
Protection Agency but the Environmental Protection Agency.
Protect me. Thank you.

MS. WOODMANSEE: My name is Sophia Woodmansee.
I believe all buses and trucks should have a filter on their engines. We have lived across from a bus depot three-and-a-half years. It will be much more pleasant to see the buses going buy and to know they do not pollute as much.
Thank you.

CHAIRPERSON NICHOLS: Thank you for coming.
Thank your parents for bringing you.
Jill Gayaldo, are you here? You got two seconds. Should be down here.
And then Ray Kidd right afterwards and Matt Griffin after that.

MS. GAYALDO: I think if we update the list we'll get people down here quicker so we know when we're due.
Jill Gayaldo, the Director of Transportation for the Elk Grove Unified School District serving 64,000 kids in the Sacramento County area.
My district's absolutely committed to clean air for my community and my kids. We have voluntarily installed 53 retrofit traps on our school buses. Every one of those were accomplished using grant funding.
Clearly, if you want traps on our buses, provide the funds
and we'll do it.

I have to inject a dose of reality here. If you think this has been an easy project, you need to reconsider. There is not one day that goes by that I don't have up to ten percent of my fleet down due to repairs.

I think everybody needs to be aware of that so they know that is one of the issues they'll be working with.

An absolute priority has to be replacing our oldest school buses. California voters recently recognized how important that was and passed Prop 1B. It will provide funding for less than half of the eligible buses in the state, which are a minimum of 23 years old. There is a flaw in the assumption that school districts will replace these buses on their own. If that was the case, we wouldn't be driving them now.

This year, California schools are going to be in a crisis. We all know that's true. And I'm going to compete between buses and books, and I'm going to lose. If you want to have parents give these -- if I take one bus out of service, between 30 and 60 kids will be in their parent's cars on the road. And we haven't done anything for air quality and we certainly haven't helped them with safety. If you intend to mandate that we
replace these buses and pull them from service, you must
provide the funds.

MR. KIDD: Good afternoon. My name is Ray Kidd.
I appreciate you all hanging in there all day. And I'm
from Oakland. I was glad to see the kids here from
Oakland High. I graduated from Oakland High well over 40
years ago.

For the last 35 years, I've lived in West
Oakland. And for over 20 years, I drove a diesel truck.
As a result of both of those, I suspect I have somewhat
diminished lung capacity. And that's the way it happens.
And that's too late for me, but it's not too late for
those kids from Oakland High School, for their younger
brothers and sisters and for their children to be.

An every day fact of life in West Oakland is if
you are out and about, at any point you could get a snoot
full of diesel fumes coming into your nose. And believe
me, that's not very pleasant. And it's sometimes so
irritating, you want to rub your nose off your face.

It's not the kind of message we want to send out
to people. It's the kind that -- puts you in like a
hostile competitive -- like the environment is your enemy.
And that's not what people need to feel. If we're ever
going to get out of the mess we are in, we've got to work
with our environment.

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And I mean, I'm down with the fact that the health rationale for these regulations is sound and the economic rationale is good. But as it was alluded to earlier that there was a ten-to-one cost benefit ratio for implementing these regulations. I think that's great.

I think another consideration as I brought out here is that before those fumes ever get into your lungs and before they ever get into your blood, they come through your nose. There's something we have to take account of. That people need to have clean air in order to feel good about their environment and themselves. So I hope that you go forward with these regulations. And let me say one other thing. There was -- I won't say it.

CHAIRPERSON NICHOLS: Thank you for coming.

Matt Griffin.

MR. GRIFFIN: Hello. Thank you.

I just want say I've been in the dump truck business all my life since out of high school. And I invested in efficient green trucks back in '93, and then again in 2000. And now they're virtually going to be worthless on this plan. It's not going to be worth it to retrofit. And you're going to need us.

I just wanted to say I hope you think about the DTCC. And that will help all of us out in the dump truck business. Because you're going to need us with flood
control, earthquakes. You're going to want us here. And we are not going to be here unless you consider this DTCC. And that's it. Thank you.

CHAIRPERSON NICHOLS: All right. Thank you.

Michael Lewis.

MR. LEWIS: Good afternoon. I'm Mike Lewis from the Construction Industry Air Quality Coalition.

Let's talk about some facts. There is no money. We are in a recession. Fuel usage is down. Mileage is down. Revenue is down. Emissions are down. None of your numbers reflect that. Your data is old. If this rule were being written today, it would look completely different. We need to fix that. The $800 truck is a myth. It was numerous last night watching your staff explain how somebody is going to buy a four-year-old noncompliant truck, spend 20 to $40,000 on a retrofit, and then replace it a few years later. That's a bad financial decision. These guys aren't going to do that, and you wouldn't do it either. But that $800 truck has to exist on paper or the cost balloons somewhere close to $8 billion. You need to fix that.

The technology isn't ready. It's not working well in the factory installed units. You heard that from the people that own them. It's really not ready for retrofit.
Next month you're getting an abysmal report from your staff on the retrofit availability, and you're going to extend double credit for off-road because no one is buying those limit product that is available. These guys won't fix them either. You need to fix that.

The billion dollar fund isn't really available. Most of the people in the room won't qualify for those funds. They don't operate enough hours. The trucks are too old. They don't meet the cost effectiveness criteria. The irony is your rules won't allow you to spend your money to do it. You expect them to spend their money to do it. You need to fix that.

The health benefits are grossly exaggerated. If you don't have the money to comply, your only option is to shrink your fleet. That is happening in huge numbers on the off-road fleet, and that means you dump equipment and you dump it out of state. You're merely moving the problem somewhere else. There isn't a real benefit. The problem just moved to a different neighborhood. You need to fix that.

Finally, there is no consideration for the cumulative effect. Construction has 75,000 trucks in this rule. It costs a billion dollars to comply if you believe the staff numbers. Add portable, off-road, and forklifts, and the cost to the construction industry alone is over $5
billion if you believe the staff numbers. You need to fix that.

CHAIRPERSON NICHOLS: Your time is up.

MR. LEWIS: I beat the clock. Where's the cookies?

CHAIRPERSON NICHOLS: Thank you.

Mr. Lewis was number 128. We have 139, because two people walked in at the last minute. After number 139, which is Stephanie Roche, the record is going to be closed. I'm just warning you right now that we will be closing the record at that point.

So if there's somebody on the road thinking about driving over and testifying because there as something you're burning to say, you can come watch. But you will not be allowed to testify. All right.

Dennis Fox.

BOARD MEMBER ROBERTS: Madam Chairman, I apologize. I know you to have leave.

BOARD MEMBER ROBERTS: Let me apologize to all of you after sitting here, late into the evening last night, and as late as 10:30 today I though we would have time to finish this. And unfortunately, I'm not going to be here when you complete this.

But I wanted to leave maybe just a couple of quick observations. Let me share some of you who are in
San Diego know I've shared my own personal experiences with asthma. I can speak with some knowledge of that. And I've been a strong advocate of programs. I want a rule. Absolutely no question about it. My concern is that at a time when there is such incredible certainty that we are being given a lot of information with a great deal of certainty. And that distresses me. For the business community, revenues are down. Mileage is down. Emissions are down. Available credit is down. Value of assets is down. And it's all being presented that somehow, you know, we can roll right through this.

Agriculture was given a softer glide slope. And I don't know the differences between -- the specific difference between the DTCC proposal and our own staff proposal. But it seemed to me that there was lot of similarities at least as it was presented by our staff in terms of -- and the difference didn't appear to be so great.

The ultimate end is identical. They both get to the same places. And I thought that perhaps there would be an opportunity and had hoped that maybe if time allowed that staff would be able to get into a discussion of the specific differences and maybe how we can tighten that up.

CHAIRPERSON NICHOLS: Your time it up.
You're a Board member. We'll extend your time.

BOARD MEMBER ROBERTS: Thank you.

That we could get into looking at some of the differences and see if there was a way to soften that glide slope a little bit. Because what I hear is that while that may not take care of everybody's problems, it may be enough to get some of these businesses over.

I do have some concerns about some of the retrofits that I've seen, specifically the skirts on the trucks that may have flex and what I'll call a transverse direction but not longitude direction. And I think the guy that testified about the loading ramps. And I think there are some problems there. And I can show you streets that none of those trucks could get through without destroying those skirts. And I can give you intersections.

So I have some concerns about stepping into programs, mandating programs that on the surface everybody should do voluntary because they save you a lot of money. And it seemed like if that was really the case, we couldn't have to mandate them. But there's something basically flawed I think and especially in some of the equipment that's being proposed.

So I don't have answers to all these questions. I'd like to be part of this discussion. And unfortunately
I can't be.

But I'm very concerned. I do want a rule, but I don't think we're there.

CHAIRPERSON NICHOLS: I'm sorry you have to leave because you have been a participant. And you've asked a lot of good questions along the way.

I'm hoping that the staff will take note of these questions and that we will at least get answers as we proceed to a discussion and a decision on what we're going to do. We really appreciate your -- I know this is an issue you've spent a lot of time on. I appreciate it.

BOARD MEMBER ROBERTS: There were only a few of us here in '98 when we declared diesels to be a toxic contaminant. We've been in this for the long haul. We want to see this. And it's not a black and white issue that some have presented. So I wish you well.

CHAIRPERSON NICHOLS: Thank you. Thank you very much.

(Appause)

CHAIRPERSON NICHOLS: Safe travels. Already. We will proceed. I called Dennis Fox.

Paul Schlenvogt.

MR. SCHLENVOGT: Thank you very much.

You did a very good job on that old German name.

Thank you. I'm here representing the Washington
One of the things that hasn't been particularly addressed here is the effect that these regulations will have on an interstate trucking company coming into the state of California.

And I'm aware that all the trucks will be required entering the state to meet these standards, which there's no question about it. Diesel emissions need to be improved.

And I have a small fleet of trucks that I bring in from out of state personally. They're fairly new trucks. But never the less, I doubt seriously they will ever meet these standards in the fashion they are being presented today.

In light of colony collapse disorder within the beekeeping industry, clearly the beekeeping industry has suffered. We can't afford to have increased costs. These things have all been hashed over considerably here today.

But I reflect upon a story as we are presenting into what could be a recession approaching the Great Depression.

A gentleman out of the west hauled sheep to Chicago on the rail yards with his load. When he finished, he didn't have enough money from the sale of his sheep to pay for the freight. The checks are typically
written two checks, one to rail freight company and one to him. He had no money. And the freight bill was left unpaid.

He caught a ride back to Montana. When they got there, they wanted to collect the freight bill. And he told the railroad company, I have no money. But I do have more sheep.

The point here of course is that we all want to take care of our families. But as we approach a poor time, there were people in these times that could not afford health care. They could not afford to put food on the table. And we are at a time when the trucking industry is the freight industry of today. And we can't afford to put it in a role where it can't bring freight.

CHAIRPERSON NICHOLS: Thank you.

William Davis, followed by Nidia Bautista.

MR. DAVIS: Cathlene came and got me because it take me longer than two seconds to stand up.

I'm Bill Davis. I'm the Executive Vice President of the Southern California Contractors Association. I'm a member of the Board of Directors for the Construction Industry Air Quality Coalition, and a very proud member of the Off-Road Implementation Group of the California Air Resources Board.

As a member of that group, we've been working
together with your staff after the adoption of a rule to make sure that the rule is implemented in a way that is effective and yet achievable for our industry. And I appreciated the opportunity. I appreciate this Board for actually making that group, which we suggested several times during the off-road discussion, a reality.

I also want to thank the Board for keeping its promises regarding the crane industry. December 6, 2006, our crane members met with this Board in Bakersfield and were given assurances by the Board the staff would work with the industry. They did. They've come up with a reasonable approach to this industry. We thank you for that effort.

I pulled a green card on this, neutral card. Because we do agree with the goals of reducing emissions from on-haul trucking. We do have questions. And I think you've heard literally 200 questions about how to do it. I don't think the rule is quite ready. I don't think it's quite prime time yet, but it's very close.

And my suggestion would be that as this Board has done on previous enormous rules like the off-road rule, you take a little bit more time. You bring in representatives from the environmental groups, the industry groups, and your staff, and we've worked through some of those questions that have been brought up.
CHAIRPERSON NICHOLS: Sorry. Thank you for your comments. And we appreciate your work on the Committee.

Nidia Bautista.

MS. BAUTISTA: Good afternoon, Madam Chair.

Nidia Bautista with the Coalition for Clean Air.

And just want to say that it's been over a year this regulation has been workshopped. And I think it's really culminated in one that's meeting our goals to save lives, protect health, help clean our air, at the same time provide industry with some compliance flexibility. So we are strongly in favor and supportive of this regulation.

That said, we are concerned about the existing provisions for agriculture. We would like to see those strengthened. Specifically, we're interested in protecting the small farmer. Let's make sure the policy reflects that. Let's provide -- ensure that the proposal changes so that there is provisions for the small farmer.

If you're three or smaller fleets, ensure there is a mileage cap at 10,000 miles a year. Making sure that we're still protecting communities from the deadly impacts of diesel pollution. So we need those traps on ag trucks.

And also let's narrow that definition of agriculture trucks. That should not include the pesticide trucks or the chemicals trucks. That's just not what we
would consider the farm truck.

And in addition to that, I think there's concerns because that inventory is largely based on the industry's own survey data. There's also concerns about the localized impacts. And while we appreciate the language in the resolution, it doesn't go far enough. And I think those staff resources to evaluate localized impacts would be better used for enforcement. We would like to see enforcement be a key cornerstone of ARB's efforts.

So we do support this regulation. We're going to be working hard to get incentive funds. And many of us have been working on that and continue to be a part of that, including part of -- working with industry along with Board Member D'Adamo and others to try to find more funding. And we're going to commit it to that. We want to make sure that happens.

We want to ensure assistant to these truckers that may not be aware of this regulation. So we're going to be there right with you. And just know that we are strongly in favor of this. And we definitely don't want to see this regulation be delayed. If anything, if you want to evaluate in a year, year and a half, looking at the economy, we would prefer that over delaying adoption today.

Thank you.
CHAIRPERSON NICHOLS: Thank you.

Sean Edgar.

MR. EDGAR: Chair and Board members, Sean Edgar, the Executive Director of the Clean Fleets Coalition.

It's a pleasure to be in front of you this afternoon on behalf of both green and brown companies. The recycling and solid waste collection companies I've been proud to represent for the last eight years in front of this Board, along with the brown companies, the California Dump Truck Owners Associations that are moving a lot of the dirt that are going to create the green manufacturing and the green highways hopefully for greener equipment to make a green California. So green companies, green jobs. That's a great combination.

However, there are a few items I'd like to bring to your attention.

Over the last eight years, as your Board has passed the fleet rules, there are few observations I can tell you.

First of all, the past through assumptions on cost has really not occurred. In some of our individual sit-down meetings with you in the central valley, one of our members shared with several of you that had a two out of ten success ratio with the cities and counties in which that particular company does business. Not to say it
can't happen. It happens extremely slowly. And the assumption that automatic auto pass-through is going to occur is very nebulous and not certain. And I say that after five years of implementing the rule that your Board intended and expected cities and jurisdictions and individual private companies to work it out. It's taken a long time to work out.

Timing is everything. And we look into the forecast now, switching to the Dump Truck Owners Association, you heard several of their members testify about their personal impacts. But just to share four specific needs. We want to be part of the $28 billion to re-build California, but we need an extended Time frame. Why? Because the State of California possibly as early as next week will fail to issue bonds for $660 million a week. That's State Treasurer Lockyer's words. The State because of the financial crisis may not be able to do system re-building. We need a cumulative impact analysis as Dr. Telles mentioned. 13,600 jobs are insignificant unless it's my job, and I like my job.

With those, thank you very much and please adopt the alternative.

CHAIRPERSON NICHOLS: Thank you, sir.

Sharon Banks.

MS. BANKS: Madam Chair, I'm Sharon Banks with
Cascade Sierra Solutions. Otherwise known as CSS.

We are a nonprofit organization with a mission to save fuel and reduce emissions from heavy-duty diesel trucks.

CSS provides low cost financing with extended terms to help facilitate the upgrade and replacement of the Legacy fleet. To date, CSS has funded over 1,600 projects through our revolving fund, saving over 3.2 million gallons of diesel.

CSS operates over at the 49er Truck Stop here in Sacramento to help truckers with grant applications and to facilitate financing arrangements. And, yes, we have several $800 a month trucks available.

The truck financing program that's going to be offered here by AB 118 is going to provide assistance for some companies. But most of the customers that CSS has financed will not qualify under traditional commercial banking guidelines. None the less, CSS has demonstrated ability to collect from these companies.

CSS is committed to help upgrade the legacy fleet by coordinating public and private resources, helping find affordable compliant vehicles, and providing low cost financing with extended terms to California truck drivers.

In closing, I'd like to say CSS is willing to help the industry with whatever resources we can garner to
help them meet the time frames of this historic rule in
the most affordable manner possible. Additional funding
added into the CSS revolving fund would be a great help at
this time. And we fully support the rule. Thank you.

CHAIRPERSON NICHOLS: Sharon, I'm going to extend
your time for a minute, because I know you've been
involved in the port truck rule implementation. And that
was, of course, just passed -- what? A year ago or so?
And although times weren't as hard in the state, I think
the level of concern because we were dealing with some
very old -- and very old trucks and also an industry
that's characterized by a lot of very poor owner-operators
that this was not going to go well.

So I'd like to give you a minute to talk about
how that's working out.

MS. BANKS: There's still a lot of challenges in
L.A. and Long Beach. I think with the controversy between
the rules between Los Angeles and Long Beach, it's
difficult for drivers to know -- especially for
owner-operators to know if they're going to be allowed to
be in business long term.

But we do have some really great projects going
on down there. We've got one I just got a 4.3 percent
interest rate. And this was a project that we got the
shipper to help pay for the subsidy to help the drivers
get into cleaner trucks. And there wasn't any grant money involved. And we got the payment for the driver at $550 a month.

It's innovative. But we have to turn over every rock and figure out every way we can do to help make this happen. Because it really is the right thing to do for health and for the economy long term.

CHAIRPERSON NICHOLS: Thank you.

BOARD MEMBER RIORDAN: Madam Chair. Go ahead.

BOARD MEMBER BERG: Before we let you go, Ms. Banks, how many truckers have you seen and how many have you ever been able to come up with solutions for?

MS. BANKS: We are working with a number of customers. We have 1200 Proposition 1B grants pending for our customers. Many of them are small businesses.

One thing that I would like to say is that we need to have a separate category in the grants for dump trucks and construction vehicles, because they always go to the bottom of the list because they don't operate very many miles, although they are very old and very polluting. And you know, we need to have a category like CARB did for the port trucks so they would only compete within the construction area.

But I think that might be something you consider in a future rule change. They really need help. They
need more help than any other industry that I've seen right now. It's just so depressing to look at the economic forecasts and see what they're faced with.

BOARD MEMBER BERG: So out of the 1,200 applications, how many people did you see get those 1,200 applications

MS. BANKS: We sign up just about anybody who wants to sign up. So I think we see several thousand applicants come through. And we talk to trucking companies every day that need our assistance. And we're happy that we got 215 grants approved out of the Bay Area. So they don't have the final list, but the list they proposed to the Board, there's 215 of our customers that are going to get a $50,000.

CHAIRPERSON NICHOLS: Are you going to be able the stick around if we have questions for you as we move forward?

MS. BANKS: Yes, ma'am.

CHAIRPERSON NICHOLS: Thank you very much.

Barbara.

BOARD MEMBER RIORDAN: Just a brief background. What is your funding? The administration cost, where does that come from?

MS. BANKS: We have a variety of different funding sources. We have some funds from the state of
Oregon. We have some private sector donations. We also have some supplemental environmental project dollars that are starting to help. And we have some funding from carbon credits, although not for any of the CARB-funded projects. We're not allowed to sell the carbon credits for that.

BOARD MEMBER RIORDAN: Do you have enough staff to go state-wide? Are you able to help people in southern California as well as northern California?

MS. BANKS: We have one outreach worker in southern California. And, you know, he's actually put in more than 200 grant applications there, and we've financed a number of projects in southern California.

But we don't have enough money to do an outreach center there yet. We got the one funded here with small grant from CARB. And with some help from the Sacramento Council of Governments. But we would love to have a facility like the one we have here in Sacramento in the Los Angeles basin.

BOARD MEMBER RIORDAN: This might be something that we could help with along with maybe South Coast and San Diego. Because I can see how you would be helpful to some of these individual owner-operators who just simply don't have to time to go out and hire. They don't have the wherewithal to hire any assistance. Where large
companies can hire -- at least they used to be hire some assistance. So you could be very helpful. Madam Chair.

CHAIRPERSON NICHOLS: We'll keep that in mind.

Thanks.

Janice Kim.

MS. KIM: Madam Chair and members of the Air Resources Board, thank you for this opportunity to speak today. My name is Janice Kim. I'm a public health physician and pediatrician with the State Department of Public Health and formerly a medical epidemiology with the Office of Environmental Health Hazard Assessment, part of Cal/EPA.

Through my previous work in the field of air pollution epidemiology, I can fully appreciate the health impacts of particulate pollution on Californians.

Today, I'm speaking on behalf of the American Academy of Pediatrics California District. The American Academy of Pediatrics represents 5,000 California pediatricians that are dedicated to the health, safety, and well being of infants, children, adolescents, and young adults.

In December of 2004, recognizing the health impacts of air pollution on children, the American Academy of Pediatrics published a policy statement documenting those far-reaching impacts. This statement I was proud to
actually be one of the author -- lead author on this
document. And the statement reviews the health impacts of
air pollution in children and identified diesel exhaust
particulates as an important air pollutant with
far-reaching health impacts.

For this reason the American Academy of
Pediatrics recognizes the importance of the regulations
you're deciding on today to protect children against
diesel exhaust particulates.

When I was a pediatric resident in southern
California, I took care of numerous children coming into
the ER with asthma exacerbations. And now the slides are
showing us many of these were due to or made worse by
particulate pollution.

We've learned from studies that have been funded
by the Air Resources Board, and we really thank you for
that. We have learned that through the university of
southern California studies that long-term children
growing up in communities with particulate pollution have
increased -- impacts the ability of children's lungs to
grow.

And these are particulate pollution -- it's not
just a long-term effects. We are learning now that even
very short term exposure of diesel pollution and
asthmatics, two hours walking on a very busy street with
lots of diesel pollution can cause deficits in lung function.

So just in addition to ambient levels of particulate pollution --

CHAIRPERSON NICHOLS: I'm afraid your time is up.

MS. KIM: Thank you. I want to really thank you. And I know you're going to do the right thing for children. Thank you.

CHAIRPERSON NICHOLS: Appreciate that.

Sean Realite, followed by Tim Gibbs, followed by Marie Witte, and Stephanie Roche. And that will be the end.

MR. REALITE: Hi. My name is Sean. I'm a volunteer with Breathe California. I hope you pass the truck laws so I breathe clean air. Thanks.

CHAIRPERSON NICHOLS: Thank you for coming.

Tim Gibbs.

MR. GIBBS: Thank you, Madam Chair. Tim Gibbs with the National Parks Conservation Association.

And keep this brief. Sequoia, Kings County, and Joshua Tree National Parks have meter freeways with diesel trucks transport and massive freight running parallel to these parks. As such, these parks have among the dirtiest air in the entire National Park Service and endanger both National Park Service workers as well as visitors to these
parks. So we strongly support the diesel truck rule and urge you to reconsider the exemptions for agricultural vehicles.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

Marie Witte.

MS. WITTE: Gentlemen, ladies and gentlemen, and other concerned people here, my name is Marie Witte. And I'm here representing Mike Roche, Incorporated, and other small businesses --

CHAIRPERSON NICHOLS: You need to speak closer to the mike if you can.

MS. WITTE: I'm here to represent Mike Roche, Incorporated, and other small businesses that stand to be decimated with the buy new trucks regulations that is being proposed here.

This proposal is unrealistic. In these hard economic times many businesses, both large and small, are failing at record rates.

CARB's goal of lowering emissions in our state might have already been achieved with the elimination of these businesses. As many of us struggle to hold on and weather this financial storm, the implementation of CARB's plan will be the final nail in our coffins.

We as Californians are all in favor of cleaner
air and have led the way. We have paid higher prices for CARB ultra-low sulfur diesel, while areas in other states run higher sulfur content at lower rates.

We have embraced biodiesel in our fleets with its short self life, clogging of filters, and higher prices.

As CARB has cut its path to cleaner air, it is not without error. Mandated CARB diesel destroyed nearly every fuel pump in California with its lack of lubricity additives. Mandated MTVE ruined California's health, water, and soil with a product that could not be remediated out.

Please consider this as the next CARB error and examine the economic implosion you are proposing to mandates on California.

Our existing fleet burns so clean that you cannot see a hint of smoke. We are not government or multi-billion dollar corporations with unlimited funds. We will not be bailed out by the government. We are small businesses that have built this state's roads, homes, and businesses with our sweat equity.

The auctions are full of equipment that have built the state. This is a testimony to the people who cut their finances a little close to the best. Those of you who have planned for this economic downturn cannot weather this storm and carry these new regulations with us.
After more than 50 years of doing business the correct way by regulations in California, we had always expected to have a legacy business to pass on to our children.

CHAIRPERSON NICHOLS: Thank you. Your time is up. I see there is someone else here from your company.

MS. WITTE: Our plea is just to end this or postpone this today. Thank you.

CHAIRPERSON NICHOLS: I understand.

MS. ROCHE: Good afternoon. Thank you for hearing us today.

My name is Stephanie Roche. I'm the Vice President of Mike Roche, Incorporated. I'm the third generation of my family business involved in it today.

This mandated proposed will devastate our company. I run the truck stop side of it. I work hand in hand on a daily basis with small business trucking companies. They have already parked their trucks and laid off many of their employees. These companies are not large businesses that show massive profits at the end of the year. My petroleum company is not a major oil refinery that has records profits.

On the contrary, we are losing our livelihood. Our employees are family. We have many staff that have been with us for 20 years. Passing this regulation will
leave us with no choice but to move our company headquarters out of the state and lay off many of the people that we love to work with and leave them with no way to provide for their families.

Thank you.

CHAIRPERSON NICHOLS: Thank you. At this point, the public hearing portion of this meeting is now closed. I would like to turn to staff. I know there have been a lot of notes taken along the way. I would like to move quickly into a discussion. So we can begin I think with your summary really of where we are right now, and then we can talk about whether there are some ideas that we may be able to discuss further about how to potentially modify the rule.

But let's start. I'd like to say before we get into this that I didn't hear a single person say they were opposed to clean air. I'm not surprised. Who would be opposed to clean air? Whatever position you came here to advocate, nobody is against cleaning up the air. And I appreciate the fact.

I also appreciate the fact that I don't think anyone, no matter how committed they are to the cause of public health, truly believes that massive unemployment or large scale bankruptcies of business are good for public health or for the economy. So I don't think we really
need to be having this discussion at the extreme end.

I think what we're talking about here is a situation where the Air Resources Board is under a legal mandate. We're under a mandate from federal law. We're under our own state law requirements. And we have a mission, because it was given to us to try to make the air better and to do so within a time frame that's laid out.

But I think we can also within that general mandate, we are going to be looking for every possible way to make this rule feasible and livable. Sustainable is a good word. People sometimes use that word meaning only environmentally sustainable. But sustainability is a concept that carries within it concepts of the economy and equity as well. So that's I think laid out very clearly what we're trying to do here in a general sense. And we are now going to have to get into the specifics.

Mr. Goldstene, do you want to do any kind of additional summing up or stating of answers to some of the questions? How do you want to proceed?

EXECUTIVE OFFICER GOLDSTENE: Just to say that, of course, staff have been listening the past two days about Board member concerns and questions and from the stakeholders. So we've prepared some clarifications and some suggestions on how we can get the debate started. And then this will be very short, about eight slides.
Eric.

(Thereupon an overhead presentation was presented as follows.)

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF
WHITE: Thank you, Mr. Goldstene.

In response to Dr. Sperling's questions about SmartWay certification, we wanted to point out there are worldwide standards, automotive standards available and are in place to evaluate trailers and tire efficiencies. The tractor efficiency evaluation are at the present qualitative.

Next slide.

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HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF
WHITE: Staff talked to EPA staff, and they are working on a new procedure and they expect that one will be finalized and available by the end of 2009.

We are planning to report back to the Board at the end of 2009 as well with an update on the status of the procedure and what option are available should one not be complete by that date.

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HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF
WHITE: There's a number of questions that were raised
regarding some of the financing. I think we heard quite a
few numbers about what the actual financing cost would be
for loans for trucks. And so we wanted to provide some
examples about the various types of financing and the
dollars that would be needed.

The first column, the one titled "New Shows." I
think what we heard about what the financing cost would be
for a new truck about $2500 a month. We also wanted to
show some examples about how that financing can be --
those costs can be brought down through the use of grant
money and anywhere in the range of $910 per month for a
brand-new truck that was financed over ten years which can
be brought down substantially using the used
three-year-old truck with a grant to about $640 per month.

And the last column shows what some of the small
fleets may face. A five-year-old-truck is what would be
needed for a small fleet to meet the compliance
requirements. And what we see there is about $800 per
month.

We heard from Ms. Banks about the types of loans
that they are issuing which are right in the range of
this. So you can see the importance of both used trucks
and the reduced costs they provide as well as the ability
of financing to bring down those costs substantially from
new truck financing prices.
HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

WHITE: Staff also realized that we didn't do the best job yesterday making it clear in our response to Supervisor Roberts's questions about how the changing economy is effecting emissions from the trucking fleet.

We do have and are evaluating the data necessary to understand what is happening in the industry and its impacts on emissions.

As Supervisor Roberts noted, there are several key questions that need to be answered. What is the impact on vehicle mileage? What is the impact on vehicle turnover? And which vehicles that are not being turned over are being used last? Are they the dirtier vehicles in a fleet or cleaner vehicles in a fleet?

We do have good data on the first two. And we actually get that data on a very regular basis and continually look at that as part of our ongoing work.

But what we don't know at this point in time is which vehicles are being used less? Are they the older vehicles in the fleet or newer vehicles in a fleet?

So what we are proposing to do is to come back in the next year and report on what is the economy's impact on the trucking industry and their activity and how any
changes in that are affecting emissions.

Next slide.

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HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: So this leads into three suggestions that we have for the truck and bus regulations.

The first is to report to the Board by the end of next year on the state of the economy and the trucking industry and its impact on emissions.

We are also proposing a credit for downsizing. This was part of the staff's proposal yesterday, but I think with everything everybody was absorbing it wasn't really picked up on. But we are proposing a credit for downsizing that essentially would provide a one-year extension for a vehicle in a fleet for each vehicle that was retired early, which would extend by year the compliance needed for that vehicle by a year.

Next slide.

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HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: We're also suggesting that we could extend the small fleet provisions by a year, which would provide an additional year for small fleets to meet the first compliance requirement in 2014.

You would have to cleanup requirements prior to
that date. And it would provide greater access to available funding in both the Carl Moyer Funding and the Prop 1B program.

CHAIRPERSON NICHOLS: And your definition of small fleets again?

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Three vehicles or less.

CHAIRPERSON NICHOLS: Have you been tracking the comments from the school bus people at all? Did you have any thoughts about that particular issue given the cutbacks in funding that the schools are experiencing right now?

ON-ROAD CONTROL REGULATIONS BRANCH CHIEF KITOWSKI: Yes. We have been tracking the comments from the school bus school districts. And primarily the comments are focused on a number of different areas. One area I think we wholeheartedly agree with them is we would like to get for funding. We'd like to turn over the oldest buses quicker, and we'd like to work with them to try to achieve that funding. And we have as part of the Lower Emission School Bus Program received funding seven of the last eight years. So even in tough times, we've found the ability to get some funding and make that available to school districts.
We do disagree on one point that the school districts often have an emphasis. They would like the newer buses. They would like the funding to replace the older buses. As we said in our analysis, we can bring ten buses into compliance with particulate filters for the same cost as we would spend to replace one bus. And we think that is a better use of the funding, the $200 billion that's available. We have the ability to put retrofits on every public school buses with the money that we already have.

And so we would recommend the shift in funding more towards retrofits and use with the existing funding and then use the local funding, the AB 923 Department of Motor Vehicle funding, in order to help replace and then try to get new funding by the 2018 deadline.

CHAIRPERSON NICHOLS: It's a really tough issue, because I think as several people testified, any business or any entity would rather go with newer vehicles and turn over the oldest ones, but get brand-new things as opposed to putting on retrofits.

But this is a fleet that stays around for a long time. And the oldest ones are still being operated and they're very dirty. And the exposures to the kids riding in them as well as other people are extraordinary.

So it does seem as though it's an area where we
I have to go against the culture and try to get people to understand that this is a public health provision and that we really have to take action if we're going to do something to effect the health situation.

I'm going to stop for a moment and let Board members react to this. I think the idea of extending the time and basically this downsizing credit. Let's talk about that for a minute. That's for small fleets, right:

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Yes. That would apply to any fleet that is shrinking but getting smaller through the retirement of vehicles. That is correct.

CHAIRPERSON NICHOLS: That's what we hear is happening. We have to be realistic about that.

What that says is that in a down economy, you're going to get a year's compliance on the trucks that you have on a truck-by-truck, one truck per truck basis.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: That's correct. For every vehicle you retire, another vehicle in the fleet could be delayed by a year.

BOARD MEMBER BERG: That would be both in PM and in NOx?

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Yes.

BOARD MEMBER RIORDN: When would that start?

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

WHITE: The 15-day changes we had initially proposed would have had that start on January 1st of 2009. I think we heard the number of vehicles and fleets that are downsizing today that we may want to be a little more retrospective in that date.

BOARD MEMBER RIORDAN: I think that's a very good idea. Because I suspect some of that is being done as we speak. But they ought to get credit for. Because we have assumed that truck would be on the road and emitting, and now it's not.

EXECUTIVE OFFICER GOLDSTENE: The 15-day change proposed January 1st, 2009, as Eric just said, and we looked at this and thought we could go back six months prior the that to the July 1st, 2008, when we can start counting credit.

BOARD MEMBER D'ADAMO: I have a question. What's the window on the other side? I hear you saying you'd go back as far as when it would kick in.

What does early mean on the end side?

WHITE: Early would be in advance of any of the requirements. I'll ask Tony if you have some thoughts about what the impact may be in terms of a point in which we
started to have some issues.

MR. BRASIL: The way we proposed in the 15-day change is if your fleet is smaller from the date that we had proposed in January 1st of 2009, if your fleet is smaller in the future year, that credit would apply. And it doesn't matter when you retire that vehicle. It could have been this year that would serve as the same credit in your compliance year.

CHAIRPERSON NICHOLS: Can I bring us back to the issue that has been the division? I don't know if you brought the slide back again, but there was a lot of reference to the counter position, the counter suggestion by the DTCC.

And the reason why staff has not entertained that proposal -- your objection to the proposal was it didn't get us the amount of reductions we needed in the year that we had to be achieving those reductions to meet our SIP requirements. And that's the bottom line here is that that is what this is about. It's not just that we are trying to get cleaner air. It's that we have to get cleaner -- a certain amount of reductions in tons in a certain year in order to satisfy the legal requirements.

Does this proposal do that? And if so, can you explain how that works?

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345
WHITE: I think this proposal would. Because if you look at the requirements of staff's -- the proposed regulation, it would effectively have about a 50 percent replacement to 2010 technology by 2014. And we would have -- all of the vehicles would have the retrofits on them.

So even if a fleet shrinks by 50 percent, we would still get to where we needed to be in terms of those credits would be exhausted and now they would be cleaning up the remaining vehicles by 2014. So I don't think we're going to sacrifice benefits by offering this proposal.

CHAIRPERSON NICHOLS: Can I turn to our SIP guru here. Ms. Terry, you're the one who's the guardian of this as far as our EPA submittals are concerned.

And we certainly heard especially from the San Joaquin Valley, but also from the South Coast, people remember very clearly that we extended their deadline and bumped up their level of non-attainment to make them an extreme air quality area. And we told them we were going to do everything we could to get there faster than that.

But recognizing what we're in at the moment, is this going to allow us to meet the commitment that we made?

DEPUTY EXECUTIVE OFFICER TERRY: Yes. Just briefly. It's important to note that this rule is by far and away the most significant rule in the SIP and that is
for both PM2.5 and for ozone in both key regions, the South Coast and San Joaquin valley.

The attainment deadline for PM 2.5 in both regions is 2014 and the dates for ozone are later. So the legal test is do we achieve the tons we need by 2014? And as proposed, it does meet that requirement.

CHAIRPERSON NICHOLS: Well, yes. Go ahead.

BOARD MEMBER TELLES: With this reduction plan, it seems to me it would be hard to calculate what you're going to get when you don't know how many trucks are actually going to be reduced. So how can you make a statement we're going to get closer to our SIP plan if we don't know how many trucks are going to be reduced by a reduction? It's a totally unknown number.

Anybody out there know how many trucks we're going to reduce?

EXECUTIVE OFFICER GOLDSTENE: Maybe it would be helpful if we finished the staff presentation.

CHAIRPERSON NICHOLS: I'm sorry. I thought you were.

EXECUTIVE OFFICER GOLDSTENE: We had a few more slides related to --

CHAIRPERSON NICHOLS: There was a pause that led me to believe you were finished. Why don't you go ahead and lay out your ideas. I apologize.
EXECUTIVE OFFICER GOLDSTENE: I stand corrected.

That was the last slide.

CHAIRPERSON NICHOLS: So we're just trying to answer the question. Thank you.

This is why I get to be the Chair, because of those kind of blinding insights.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Dr. Telles, the way we structured it is that except for the few exceptions that are in there, like the ag program and some of the specialty vehicles, is that all the trucks by 2014 would have filters on them. So we know that's the goal. It will still be met.

The change we're suggesting is to just sort of back-end load this a little bit. So we would have small fleets not having to do anything until just the year before that compliance deadline.

CHAIRPERSON NICHOLS: In other words, you're pushing it back as far as you can possibly can. What's going to happen is assuming we continue on this path and nothing else changes that in the year before the deadline there is going to be an awful lot of people rushing in to get filters.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: And there's some risk in that. And there's some delay in the public health benefit detail occurring in the year before.
But from a SIP standpoint it will get us all the reduction we need. Vehicles will be turned over. In the case of the small fleets, they'll be doing the retrofits just before the deadline.

CHAIRPERSON NICHOLS: And the trade, off they get more time.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: In this case, if there were five percent of the vehicles compared to today were sidelined because of the economy, those are essentially zero emitting vehicles. And these ones with filters on them come to be very close from a PM standpoint at least to being zero emitting vehicles.

And so all of them, whether it's partly sidelined and the rest operational or whether the economy is recovered and we have them all back in work again, we'll have the lower emissions at least for the directly emitted PM by 2014. And that's our first deadline we have to face.

So I don't think there is really any uncertainty what the end result is. Even though there's uncertainty in the exact number of vehicles that will be out there. We can't predict that. We don't know what -- the economy could be booming or could be still in the doldrums at that time. We don't really know.

BOARD MEMBER TELLES: The suggestion by reducing
by one vehicle -- and maybe Eric mentioned what type of
vehicle. A fleet may have one truck that travels between
10,000 miles and another truck that travels 500,000 miles.
If you take the one truck out that's not being used too
much, it doesn't get you too far on your plan if you just
delay it a year. See what I'm saying?

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: The
point is it does delay just one year. If you look
two years, we'll basically caught up. So what it does is
give you more time to take the action on the vehicles that
you do still have in your fleets. But it's only one more
year time for each one you drops. So well before 2014
would still in a position --

CHAIRPERSON NICHOLS: The problem with the DTCC
proposal wasn't that it didn't get you to the right end
point. It was that it got you to the end point too late
to meet the Federal Clean Air Act. And what your proposal
is designed to do is to drop the line down just in time.
So push it to the last second, basically. I mean, that's
really what it boils down to as far as I can see.

BOARD MEMBER BERG: And to speak to Dr. Telles's
two points, on the downsizing, would it be a fair
assessment that we would really gain some emissions
because -- reductions because they in fact downsized
sooner than the rule required?
So if they're downsizing now and they didn't have
to do anything until 2011 or 2010, we are actually gaining
those emissions, even though they're getting one credit.
But the credit would be taken whenever the requirement
would be; is that correct? So they're downsizing in 2008.
They didn't have to do anything until 2010. Do we in fact
gain that 18 months of reduced emissions when they're
going take to credit in 2010?

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well, I
think yes we do. Only caveated by the uncertainty of
we're not sure which vehicles are going to be downsized
and which ones will be delayed. So there could be, as Dr.
Telles says, some difference in the VMT of those amount of
travel of the vehicles and things like that.

BOARD MEMBER BERG: That's true with the rule all
together, because the rule does not discern between those
lower mileage vehicles, lower in relationship to the
higher miles vehicles. So that's true in the rule
regardless.

But I think my observation is that I don't see it
as an emissions disbenefit doing this credit.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: No.

BOARD MEMBER BERG: It think it will be an
emissions benefit.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think
the disbenefit we were talking about was pushing off
everything for small fleets by one year. In one year,
that would have a disbenefit.

BOARD MEMBER BERG: Right. I was really focusing
on the credits.

CHAIRPERSON NICHOLS: Ms. D'Adamo.

BOARD MEMBER D'ADAMO: I would just say I rely
heavily on staff's charts. In the original staff
presentation, there are three slides, 33, 34, and 46 that
provide information on the baseline compared to the rule
under NOx, same issue on PM.

And then there is a many comparison on slide 46,
the industry proposal compared to staff's proposal
compared to the baseline.

So what would be helpful for me -- I favor
flexibility. And I think that what staff is proposing
sounds like, you know, any additional lead time or
flexibility you can provide would be terrific.

My only question is, do we hit the deadline? And
it sounds like what Ms. Terry is saying, we hit the
deadline in 2014 for PM, and then ozone 2017 for the
valley. And it's the same date for South Coast. I think
Sacramento even had some concerns they wanted to make sure
that we need the rule for Sacramento as well.

DEPUTY EXECUTIVE OFFICER TERRY: The Sacramento
plan will come to you in a couple of months. We've ensured the numbers work for Sacramento as well.

BOARD MEMBER D'ADAMO: As long as the deadlines are met, I think the flexibility is a good idea.

CHAIRPERSON NICHOLS: Yes, Dr. Balmes.

BOARD MEMBER BALMES: Well, this may sound like heresy coming from somebody who's been and will continue to be a strong public health advocate. But I actually am concerned about some of the testimony I've heard about the economic impacts, just as much as I'm concerned about maintaining public health and air quality.

And to me, there's kind of a fundamental equity issue that I'm going to bring up if nobody else will. I noticed that the agricultural stakeholders were not thrilled but sort of at least reasonably happy with the proposal because of the flexibility that is allowed for small -- for low mileage uses.

And you know, a logger or a body load truck operator from northern California who also has low mileage -- I guess I'm sorry, but I don't see why they should be treated definitely than the agricultural community.

So I realize that it would push us with regard to our SIP commitments, but it would be helpful to me to see an analysis. Could we provide some flexibility for
smaller truck operators with low, low mileage in other areas outside of -- other sectors outside of agriculture in attainment areas? I don't propose that for any of the out of attainment.

CHAIRPERSON NICHOLS: Any loggers in Los Angeles are out of luck.

BOARD MEMBER RIORDAN: I would concur with you. In attainment areas, is there something that we might do? Now I know in talking to staff some of the trucks will qualify that we're talking about in agriculture. They would be in that category. But perhaps there are others that you just mentioned.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Well, I guess there's a couple questions here. One is can the low use mileage exemptions that we have there, could they be increased? As we develop the regulation, we looked at a number of higher mileage thresholds to gauge what's the sensitivity on emissions associated with higher thresholds. And I'm going to ask Michael Benjamin who did that analysis for the staff to go through what some the findings were on looking at that.

MR. BENJAMIN: We did indeed look at mileage thresholds, not just for the agricultural fleets, but for all of the other fleets that we identified in the
inventory which was quite specific. And so we looked at
them at both above 5,000 mile thresholds and below. We
looked at it in terms of different fleet sizes. And so we
have a good sense numerically of what the impact would be
if we chose to provide other provisions for other fleets.

And I think that certainly as we move forward
with the rule, one of our constraints was the SIP
commitment. And so from a technical perspective, staff
have done the analysis. We have a sense of what the
emission impacts would be of these various provisions.
And so we would be willing and prepared to fold that in if
the Board choose to provide provisions for some of the
either fleets.

CHAIRPERSON NICHOLS: Are you capable of
discriminating based on what air basin the fleet is
located in though? Because that's really what the issue
is here. I think the Board members who are concerned
about equity -- and I think we all are certainly aware of
the fact that there is something that does kind of put a
particular target if you will on agriculture if they are
just defined as being this unique industry. And I think
there was a reason -- I mean, the staff did come up with a
rationale which perhaps you'd like to restate just so you
remember it.

But I do think that if we're talking about making
distinctions based on something that's within the Board's ability to deal with, whether you're in attainment or non-attainment area is pretty fundamental. So it would be good to be able to answer that question.

MR. BENJAMIN: I think you raise a good point, Chairman Nichols.

We're continuing our work to improve our spatial allocation of trucks. It's extremely challenging. Unlike light-duty vehicles who travel primarily within their county or air basin of registration, it's very clear to us as we develop this inventory that trucks operate very differently.

Our assessment at this time is that the heavy, heavy-duty trucks, oftentimes they'll travel throughout the state. Not just in their air basin of registration. The medium heavy-duty trucks tend to stay within their air basin of registration. So we do have some initial sense based on surveys of what the truck travel is like.

But quite honestly, this is a major issue for us. And we're working on it with an extensive field program as part of the next SIP development. And so it is something that we have an initial understanding of, but that we need to do some more work.

CHAIRPERSON NICHOLS: How fast are you likely to...
have some better inventory data?

MR. BENJAMIN: Our objective is to have preliminary results in the next six months. And we will be releasing the next update to the EMFAC model in early 2010. And this is going to be one of the most critical updates to the model is assumptions about spatial allocation of trucks. So we have been investing significant resources in the field study.

In addition, we've been working very closely with Caltrans. As I mentioned yesterday, we have a variety of methods for estimating truck VMT. We would look to work with them and are doing so to have consistent VMT estimates if possible.

We're also working with regional transportation planning agencies like SCAG to be able to use their models to estimate what the truck VMT is. So we recognize that this is a critical issue. And we've invested and are investing a lot resources to improve our estimates.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: If I can clarify one thing. The regulation already provides for vehicles that are operating exclusively in those areas. In other words, they're not contributing to poor air quality, ozone issues or PM issues in other regions, the ability to not or the opportunity to delay the replacement of their vehicles.
through 2020 with only requirement that they put on particulate filters.

So the issue really comes down to whether or not there is a need for particulate filters in those regions. And that really gets to issues associated not so much with ambient air quality, but around issues associated with localized risk.

CHAIRPERSON NICHOLS: Yes.

BOARD MEMBER TELLES: Now we are talking about inventory a little bit. And I have an inventory question from the San Joaquin Valley Air Pollution Control District.

To hit our 2014 PM attainment goal, we need to -- from the SIP plan or from the truck rule, we need to get like 60.6 tons of NOx. It's not in your documents. It's from the San Joaquin Valley. Maybe on page 33 of your document, somewhere in there what you suggested.

But at any rate, what I'm getting at is how solid is that information? In our district with the most polluted -- one of the most polluted and probably the most polluted?

The reason why I bring that up is we've had a lot of people talk about ag with the exemption and all that. Paul Baker, I think he was the rice person, indicated that from the -- he actually made an error. I would like to
correct him. He mention that had the total pollution from ag vehicles according to your inventory is four percent. Total statewide pollution is actually 2.1 percent for NOx. And half of that is actually in the San Joaquin Valley. From my calculations on this, if we totally eliminated the ag fleet in the San Joaquin Valley, we are still about 90 percent off from attainment of the NOx to kind of get to the PM. It's not in there. I'm just kind of in my head.

So to me, in our area, if those numbers are at all right, you know, one of the problems we have is there's 80,000 trucks that go through our valley. And were those accurately considered? And are we really going to get to attainment if we do this, or was that -- how solid is that inventory?

MR. BENJAMIN: Well, one of our biggest improvements in terms of understanding truck traffic in the valley is previously we assumed all the trucks traveling through the valley were the same age. And now we're recognizing and we reflected in this inventory the fact that they are very different in their ages and that there's a lot of VMT, a lot of vehicle miles traveled from trucks that are passing through the valley and that are newer.

And so we are recognizing and we are accounting for the fact that there is a population of trucks within
We heard testimony from witnesses about the trucks being 17 years old for ag trucks. That's indeed the case. So we are reflecting that. There is a lot of truck traffic through the valley from out-of-state trucks that are three or four years old. So we believe that we have reflected and are reflecting in the inventory the diversity of truck traffic through the valley.

DEPUTY EXECUTIVE OFFICER TERRY: Perhaps I could just offer a bit of an overview, because it really does come back to the fundamental inventory as a whole for the attainment demonstration for this SIP.

And as I mentioned, the reason why this rule is the most significant new rule is because fundamentally the largest category of emissions in both the South Coast and the San Joaquin Valley is heavy-duty trucks. And that's followed by passenger vehicles. And then you tier down from there, when you're looking at NOx which is the key pollutant for both PM2.5 and ozone.

So a lot of work was done during the development of this SIP to really hard work on getting improved inventory emissions for all the categories. That isn't to say we're done. We always improve the inventories. It was a very thorough vetting of all the emission categories.
during the 2007 SIP process. So it's best we have. And it's very clear heavy-duty trucks are large and significant.

What we have learned, just to highlight in the rule development that's happened post adoption of the 2000 SIP, is a better understanding of those newer, cleaner interstate trucks traveling through the valley and the number of trucks and the miles traveled with the older dirtier trucks in the valley.

So as a result, the real benefits of this rule are accruing from the captive truck fleets within the valley. And that's the thing that we have learned since the inventory was adopted.

CHAIRPERSON NICHOLS: Okay. Other areas of comments?

I want to get into the financing issue too before we reach any final decisions on any of this. Ron.

BOARD MEMBER LOVERIDGE: Help me out. Back to the slide on the economic. I just want to know what kind of economic analysis we're talking about. You had this economy and free fall. A comment this is the worst since the Depression. As we listen to the testimony today, yesterday, a sense of dominos happening all across the state. We look not very far from our place and see $40 billion deficit of the state, which they don't seem to be
very doing a good job of even looking at.

What are we going -- there was another -- I'm not looking for the 12 highest cities. You had what you were going to do.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Well, what we wanted to show on that slide first of all is that a lot of the data that we need to collect to do that evaluation we currently have in place.

But what we plan to do is to look at how vehicle mile traveled are going to change over the next -- over the course of the next year, how vehicle purchasing is changing over the course of the next year, and get a better sense from registration information from the Department of Motor Vehicles so we can look to see whether or not the fleet is changing in terms of its age differently than what we've estimated. So we can get a sense of are older vehicles, which fleets may choose to get rid of their older vehicles first because they're less reliable. Are those the vehicles fleets are getting rid of. Or are they getting rid of newer vehicles that they're still making payments on, because they can no longer afford to make the payments on the vehicle. We'll get a sense of what is happening.

That's the key question for us to understand whether emissions are going up or going down or are
continuing along as we've estimated.

CHAIRPERSON NICHOLS: Okay. What I want to focus on was really the continuing questions about useful and accessible the financing mechanism that we're talking about are. Clearly, the amounts of money that are potentially available are substantial, although they certainly don't cover the whole cost of compliance with the program.

And there's the philosophical questions about, you know, whether you try to spend it all now quickly because it's a kind of stimulus and also because it's a way of then making the case that more money is needed.

There's also been some suggestions about alternative ways to get some additional money into the system, which I think would be a good idea, although I don't think anybody thinks the Air Resources Board all by itself could do them. But there may be some ability on our part to influence that in the Legislature, because obviously this is an issue that's of great interest to people statewide and to legislators as well.

And then there's the just the question from an administrative perspective what are we doing to really organize the funds in a way to make it clear we're going to have to have a system set up on day one when this rule starts to hit or six months in advance of day one that
will enable people to come in and quite seamlessly figure out how much money they can get and get it.

So is that Jack? Probably your call here.

ON-ROAD CONTROL REGULATIONS BRANCH CHIEF

KITOWSKI: I can start this off.

You know, there's a number of factors wrapped into this. And we have engaged a variety of different people with expertise, many of whom, several of whom you've heard from today, Mike Paparian with the State Treasurer's office and the financial ties they have to the banks to get the loan program or tying straight into a well-established loan program and well-established banking mechanism to alleviate some of the credit crutch basically the entire world is seeing right now. The Sharon Banks model Cascade Sierra you heard toward the end of the testimony is also one where we're looking to tap into as well and expand. I think the Board seemed to express that that was a good idea.

We've traditionally for the last ten years when we've operated incentive programs, it's been, you know, somewhat of the bureaucratic model. We've gotten the money. We've got it into the air district's hands. Air districts release RFPs, Request for Proposals. They send it out. We recognize that. We completely recognize that.

At a time when you're oversubscribed four to one,
maybe that's all you needed to do at that time. And as was mentioned before, at a time when most of the people who are coming in for the funding, they had environmental people on the staff who could apply and take the time to work through this process.

We completely recognize that's not where we're at today. We're appealing to a different class. We've had many meetings with individual banks, individual truck dealerships. And we are planning an outreach plan that will tie all of these pieces together: The loans, the voucher program, and incentive with a streamlined process that we talked about yesterday as well, working with truck stops, working with dealerships. Places where these individual owner-operators already come. They can ask questions. They'll have the information available with streamlined procedures.

CHAIRPERSON NICHOLS: I think we need more.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: I think as we look at this, we don't need to re-create the wheel. There's several programs that are already in place that we are partnering, whether it's the Treasurer's office, whether it's the Cascade Sierra Solutions that are effectively handing out money in the way that we've proposed to handle this for this program for this rule.
So by doing that, by taking the money we have and building on those models, I think we have a high level of confidence that we'll be able to have a successful program, to be as successful as other programs are today in doing exactly what we're proposing.

BOARD MEMBER RIORDAN: Madam Chair.

CHAIRPERSON NICHOLS: Yes, please.

BOARD MEMBER RIORDAN: If I may make a suggestion. And I realize these are not easy economic times. But sometimes you can take from existing staff at least to dedicate an individual to work with everyone, your office with our key staff people under the diesel rule, and then those who are going to access this financial assistance. At least somebody who serves as an ombudsman to make sure that it's happening.

And I'll tell you why I think it's important. I was very interested in some of the off-road diesel efforts and some of the programs that we had, particularly in the South Coast, for demonstration products of the off-road diesel effort. Okay. Wonderful idea.

I got involved initially and then discovered we had a one little hick-up. And that was when we did the contracts with the individuals that were going to utilize these demonstration devices, we had some difficulty. And all of a sudden, you know, we kind of were not moving as
fast as I would like to move. I would like to move right
along.

So I think we need to say we have to have
somebody that's responsible for seeing that all of the
wheels are moving along, the outreach, all of that. And I
would hope that we would be smart enough to figure out how
to go about it.

CHAIRPERSON NICHOLS: Yeah. Well, I mean, my
limited experience in this area is that everything that
can go wrong, will go wrong. And it won't be the things
that you expect.

BOARD MEMBER RIORDAN: Exactly.

CHAIRPERSON NICHOLS: So we better be organized.
We are dealing with an industry that doesn't have staff.
I know the fact that so many people have come and spent so
much time with us is attributable to two things.
Obviously, the rule is important. And also the fact they
got time on their hands at the moment. If they had
something better to do like be out driving and making
money, they would be there instead; right? So hopefully
that will happen.

BOARD MEMBER LOVERIDGE: Mary, just want to
follow-up on Barbara's point. Perhaps every two months we
ought to have report to this Board about the financing and
what's happening so it's not just simply something we do
today, but that we keep it center ring.

BOARD MEMBER RIORDAN: Well, that sort of person, that point person that Ombudsman could do that easily for us.

BOARD MEMBER BERG: As a caveat to that, I'm especially concerned that I'm making a leap when we're talking about the amount of funding, whether it's grant -- particularly in grants. Are we talking about that we can help 25 percent of people, 75 percent of the people?

Because my sense is is that we're over sold. Are we going to be over sold in the grant situation as well?

And so what are we doing about the remaining people?

Those are the people we were hearing from today, is that what are we going to do about that?

BOARD MEMBER BALMES: Could I make a follow-up point to that going back to the equity issue?

So I understand the way we currently administer the Prop 1B Program, the Carl Moyer Program, that we try to get the biggest project for our buck. So we're targeting heavily used trucks in the worst areas.

But I don't think we can have our cake and eat it, too. We're asking drivers -- low mileage drivers, relatively low mileage drivers in non-attainment areas to also make significant investments in their trucks. And yet from what I heard, they're not able to access the
funds. So, you know, if we are requiring them to do something that's going to put them out of business, you know, that doesn't seem like we're getting -- it's the most cost efficient way to do this. Either the rules have to be relaxed for them or they have to get an equal share at the trough. And I realize there's not enough money.

BOARD MEMBER TELLES: You said non-attainment. I think you meant attainment areas.

BOARD MEMBER BALMES: Yeah. Thank you.

I understand where -- I'm not charging staff with the impossible. But I'm trying to point out that we are asking a lot out of people that don't seem like they have access to financing.

BOARD MEMBER D'ADAMO: I have a follow-up between these two questions.

Ms. Berg was asking what percent will be covered. And Dr. Balmes, the issue of cost effectiveness in current regulation. If you play out the extension of time the ag community gets and that the attainment areas get on low miles, on low mile trucks, at that point would we be in a better position to be able to advocate for significant changes in the grant programs so that we can relax the cost effectiveness? In other words, would we already have a pretty good percentage already taken care of through the bulk -- the main portion of the rule?
CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well, there's a couple of considerations here.

One is the amount of money that's actually grant type money which is giving money to people is on the order of ten percent of the cost of the regulation. And then we've got another unit about the same size that is low cost loans. So that's not money giving away. But just by way of helping people get loans that maybe can't get loans today. And that's mainly focused at the smaller businesses who have difficulty getting loans. So those are the two packages we have.

You're right. It doesn't in any way come close to paying for compliance. And in fact some of the moneys have restrictions on that. You have to do things earlier than required in order to get access to the money. And that's true in the Carl Moyer and on the loan program as well. And those are statutory restrictions.

So we don't have flexibility just to pay for compliance. And if we did, it would be a relatively small fraction.

So what we tried to do is focus the money on those that need it the most and those that can step forward and do something early right now.

But if it's the Board's desire to make changes, for example, give more consideration to people in rural
areas that have to put filters on or give consideration to
this argument about giving consideration to dump trucks
because they have so much difficulties in complying in the
special vehicles, et cetera, some of the things can be
done through the guidelines we'll be bringing to you in
the spring, the Prop 1B -- that's not a dump truck one --
but for port goods hauling and for Carl Moyer and the loan
program. But it's got these other -- there's some
restrictions we can't deal with.

CHAIRPERSON NICHOLS: Well, also your assessment
of the cost of this rule I think is correctly based on
compliance, meaning now through 2014.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well
actually now through 2023. But it is front loaded and of
the cost -- a lot of the costs are going to occur by 2014.

CHAIRPERSON NICHOLS: But suppose we decided we
want to spend the entire in 2009 or by the end of 2010.
We just decided that's the best way to do it is to
jump-start the program, get the biggest bang for the buck,
the oldest trucks off the road earliest and everything
with a filter on it and go for broke. Could we do that?
CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well, I
think we're limited to the amount of money per year we
get. So the Carl Moyer Programs are you spend the money
you get each year.
CHAIRPERSON NICHOLS: So you're thinking just --

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: That
would happen. But there would be money for every year
until 2014 or '15 when that program ends.

The 1B money is coming in pretty much over a
four-year period. We're in year two now. Front-end
oriented.

And the loan program is a one shot deal right
now. Although we have the ability to each year to take
some of the 118 moneys that are providing the loan
guarantee and dedicate that to loans. Like the first
year, we dedicated all of it to loans.

But so we are kind of front-end spending. But we
keep getting installment payments from the government that
each year. I don't know any way that we can -- no way we
can pull that forward and ask for twice as much this year
and not any next year.

CHAIRPERSON NICHOLS: The Legislature would have
to agree.

BOARD MEMBER BERG: And the Carl Moyer covers
other things other than trucks as well. So it's not
100 percent.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: The 140
million wouldn't go all to trucks. It pays for some other
eyear actions as well and for areas that we don't regulate
as thoroughly, like ships and locomotives and things like that.

BOARD MEMBER BERG: So kind of, you know, I kind of feel like this is a discussion with my teenagers. One dollar gets spent ten times. And so I can't quite get a handle on exactly how much we're talking about and how much of the problem we're going to be able to address.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think the staff had a realistic expectation that we were never going to be able to pay for compliance. It was simply the moneys were not there for that.

We are quite amazed we were able to come up with a billion dollars of various types of financial instruments. If you look at it that way, it's been a great success compared to what we had with the off-road rule where we just had a little bit of Carl Moyer money. On the other hand, if you look at it how do we -- it would be nice if we could pay for all of it, we are obviously restricted from doing that with the moneys we do have.

BOARD MEMBER BERG: I'm sorry, Chairwoman. That comes full circle to both Ron Roberts and Dr. Balmes and several of us here is that we're in a situation where the economy is down. Those $800 payments outside of loan programs and down payments through the grants and incentive money, how are these people going to comply with
the rule? And we kind of come full circle again.

CHAIRPERSON NICHOLS: Well, I think the concept here is that we phased in the requirements for compliance over a period of time as well. So we're not asking everybody to be complying this year or next year. And so we're counting on the fact there's some time to build up both the fund and the inventory of trucks that are in compliance and that we will be in a position to get a better economy working in our favor.

But there's also some opportunities. And this is where I know Dr. Telles has had some thoughts. And I think one or two of the people who testified had some thoughts about ideas about ways that you could fund compliance with this rule, given the public health importance of the rule.

So would you care to discuss this?

BOARD MEMBER TELLES: Well, it's not my original idea. It came from the great county of Mendocino. When we were talking to a group from Mendocino, one of the fellows there suggested -- I hate to use the tax word -- but a tax on diesel fuel could generate a lot of revenue. And I kind of did a little figuring.

If we estimate there's 17 billion vehicle miles traveled and six miles per gallon, to get to $5.5 billion, it's 20 cents on diesel per ten years. Just having such a
small tax. If you want a billion dollars, it's four cents per gallon. I mean, there's ways to do that.

Now that obviously takes legislative action. But if you look at this, in our area our region if you believe the Jane Hall report I think for the total savings of the state, it's like 29 billion. And in our region, it's six billion.

The only problem with those savings is nobody is coming up front and saying we're going to save money so we're going to give the truckers $5 billion to take care of this. It's a societal saving. And I would think this would be one way to generate some money slowly, somewhat slowly. But some funds that we can help mitigate some of the cost of the this.

I don't know if that's well received with the trucking community. Obviously, it's pay as you go. And with all the considerations that the high haulers will be paying more than the low haulers, but it's just an idea to think about.

I think if we get to the point where we don't have enough funds to do this, I would encourage the environmental health community and the trucking community to get together and walk across the park and start asking for some help in that way.

CHAIRPERSON NICHOLS: Well, I think we're kind of
at a point where we have to begin to make some decisions.

And I think the main message I think -- I'm sorry. Excuse me. I didn't -- go ahead.

BOARD MEMBER SPERLING: The discussion about the greenhouse gas rules as part of it. There was the slide that was put up about the SmartWays Program. So I did want to just kind of close that discussion and see if there might be a small change made.

The issue was raised about the lack of scientific credibility or measurement with the cabs part of the SmartWays Program. I guess we're reassured that there's at least some amount of measurement going on with the side with the fairings and the skirts, but not with the cabs.

So in the spirit of good government regulation grounded in science, I was wondering if how we might handle it in such a way that we postpone or put in pending form the cabs part of that regulation until we have a better reassurance -- reassurance or establishment of better measurement protocol by EPA that will be used for the SmartWay Program for cabs.

CHAIRPERSON NICHOLS: Actually, we haven't talked about the GHG rule at all. We probably should. Can we do that separately? I mean, we do have to talk about it.

But -- well, we can do it now.

I had some concerns about things that were not in
the rule that were raised by Mr. Anair that suggested that you know in a way the bite we're taking may not be nearly as ambitious as it could be if we're really trying to get GHG savings. And they look very cost effective, although again there's money to be spent.

But I'd like to hear staff's comments on whether they want to make any modifications, because they didn't raise that at all.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think our first recommendation in those slides -- go back to the very first one -- was to track what EPA is doing. We went and talked to EPA last night to make sure we understood what they are up to. And they are trying to come up with a more rigorous SAE-like procedure for the cabs. And I asked will you have it done by the end of '09, which would give time -- because you don't want to start the compliance until into 2010. And the answer was that's their expectation, but no guarantee. So that created in our mind a good way of doing that would be --

CHAIRPERSON NICHOLS: Couldn't caveat it if it wouldn't take effect unless there was an SAE or equivalent standard?

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: That we could look at that and come back to the Board with what we thought the solution would be to the situation.
The possible solutions would be EPA comes up with a procedure and everything is okay. It's now on the same degree of rigor as the trailer components. Or it could be they didn't get it done. And perhaps it's only a procedural thing. And maybe we could adopt it in some way. Or there's just a bunch more work to be done. And at that point maybe it suggests that we defer or delay that provision.

And we could also probably have a better assessment at that time for you what exactly does the qualitative procedure mean. I don't think it means that you're going to get a tractor that doesn't improve greenhouse gases. What it means is that between the various manufacturers maybe not a rigorous comparison from one manufacture to the other. You might buy a SmartWay from one manufacturer that isn't a whole bunch better than a SmartWay from another manufacturer. That could happen under -- because the way they structure it is compared to the other equipment of a manufacturer.

But the more rigorous proposal would take care of that. I think we're on track to do that within a year. So it would be our recommendation that if you're going to go ahead and adopt this rule, we adopt it and come back and make a mid-course correction if necessary at
the end of next year before people have to get into the
point of actually buying any equipment.

CHAIRPERSON NICHOLS: Well, I think the Board
would feel more comfortable if we, in addition to asking
for a report back, made it clear that we don't intend to
impose that piece of it, unless there's a procedure that
staff is willing to certify. And in fact is of the same
caliber as the other tests. That's not worded as artfully
as it could be, but I think you could turn it into a
resolution.

BOARD MEMBER SPERLING: Could I make a broader
response to what you were saying earlier. I'm a strong
proponent of aggressive policy on greenhouse gas. But you
know, this heavy-duty area makes me very nervous. We're
moving on this as an early action item, but in truth
there's not much good data. We're doing it in a very
piecemeal prescriptive way. And you know I always like to
see more of a performance-based approach to it.

And EPA is -- the latest energy legislation told
them they should start moving forward towards regulating
heavy-duty vehicles in terms of fuel economy and
emissions. And in hopefully with the new administration
that actually will happen.

And so somehow I think we need to be working more
closely with EPA on this overall issue. I guess I'm going
to be a little conservative in terms of how I respond to the UCS proposal in saying, yes, we want to be very aggressive, but we want to be do it in a more robust way. So I usually wouldn't propose this, but I say let's go slow on this one in terms of any further action with the idea that eventually we will get a very strong program and hopefully a national program that we can work with.

CHAIRPERSON NICHOLS: But in terms of the down payment that was proposed when we adopted the Discrete Early Actions, you're comfortable this one is good enough to move forward on?

BOARD MEMBER SPERLING: With the caveat about the caps.

CHAIRPERSON NICHOLS: That's helpful. Thank you.

Okay. Back to the truck rule.

BOARD MEMBER BERG: Chairman Nichols.

CHAIRPERSON NICHOLS: I was just recognizing Ms. D'Adamo.

BOARD MEMBER BERG: I'm so sorry.

BOARD MEMBER D'ADAMO: I have a couple of just minor items, hopefully minor. I like the suggestion that Granite Construction has regarding a courtesy inspection program. Seems to be a lot of confusion out there.

The truck industry is subject to a number of
different regulations. And I'd like staff to -- I don't
know if it could be included in this regulation or if
staff could bring a program back to us at a later time.
And then I also --

CHAIRPERSON NICHOLS: I agree with that one, by
the way. I would second that.

BOARD MEMBER BALMES: I would third it.

Especially when an employer says they like the Cal/OSHA
program. We want to see it replicated.

CHAIRPERSON NICHOLS: We want to know how that
worked.

BOARD MEMBER D'ADAMO: So there's nodding heads
on that one. Good.

On enforcement, I don't believe staff talked much
about it. But what can we do -- there's a lot of people
that are going to go the extra mile and spend a lot of
money on this regulation. And enforcement is just
crucial.

The concern I had I think somebody talked about
the idling regulations and had some criticism about lack
of enforcement. So, of course, for those that are
complying, it's frustrating when you hear about someone
that's not complying. And idling is a small action in
terms of compliance. This rule is going to be huge in
terms of compliance.
So what can we do to make sure it's being properly enforced in particular with the trucks coming from out of state?

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Well, I think we're actually in better shape on this rule relative to the other rules. For example, idling which sound simple means you have to go out and find the person that's idling and time it. And in some cases for the sleeper rule, that means someone has to prowl around at 3:00 in the morning at a truck stop. That's difficult.

But we do have an enforcement program now, and we've had one for more than ten years now for smoke inspections, which are done at the weigh stations coming into California. That deals with primarily out-of-state trucks.

And then we also do targeted inspections like at ports and places where there's a high density of trucks.

So when they do those inspections, they can either do inspections for this rule or for all of the rules at the same time.

So this is a matter of sort of incrementing the enforcement on the on-road truck where in those other areas we had to start a new enforcement program and do it differently than we are doing now. So I think we're pretty good shape to be able to --
CHAIRPERSON NICHOLS: Are we not considering a report to the Legislature at our next Board meeting, which we would be considered this time if we had enough time, that deals with the enforcement of all of our diesel rules? It's an AB 233 report. And they've asked us for very specific detail, not only about the mechanisms, but about what kinds of equipment and what personnel we need to do that.

So although I doubt this is a year where we're going to be asking for or receiving lots of additional resources, the Legislature has always focused on this enforcement issue as one area where they were willing to look at giving us more resources even in bad budget times.

CHIEF COUNSEL PETER: With respect to the Bay Area Enforcement, which was the person that testified, the Bay Area Air Quality Management District has expressed extreme interest in stepping up on their idling enforcement. So our enforcement division has been working with them. And they actually are doing it on their own nickel. And we're providing them training. And they are going to step up very aggressively on idling in the Bay Area.

And with respect to San Joaquin, they also wanted to do it so we have a pilot program with respect to that on enforcement where we are actually paying them for their...
inspector's time, which is a cost effective way of doing it. That will be dealt with. It's mentioned in the AB 233 report you'll hear.

I just wanted to address that. Because I agree the idling is more difficult, but we're starting to get our arms around it.

CHAIRPERSON NICHOLS: To the extent there is competition in the industry, someone who isn't complying has a competitive advantage over someone who is paid and is complying.

So I think it's really important that we use all of the mechanisms that we have available to us which do include civil penalties and pretty serious litigation if we want to do that.

CHIEF COUNSEL PETER: Right. We could take affirmative action against firms.

But what is being referred to today was the specific people idling in neighborhoods. And once again, that's where we are coming up with a program where we're utilizing the local air districts to assist us, and they're very interested in doing that.

CHAIRPERSON NICHOLS: I was referring back to the Granite Construction testimony.

CHIEF COUNSEL PETER: You're right. Even playing field is critical.
CHAIRPERSON NICHOLS: But you're right. We did hear from some very concerned citizens as well.

BOARD MEMBER TELLES: Since we're talking about enforcement, one of the testifiers mentioned that the companies that would be hiring fleets will be responsible for making sure that fleet is compliant.

What would the mechanism be that they would be able to do that? And what would the penalty be if they don't do that?

BOARD MEMBER BERG: I think's on the SmartWay.

BOARD MEMBER TELLES: No. It's page 33.

BOARD MEMBER BERG: On the on-road?

BOARD MEMBER TELLES: Yeah. It's page 33, Section B, how does the regulation apply to motor carriers, brokers, and dispatchers?

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Let me explain that a little bit more.

One of the things we intend to do on that is as fleets report to us, they're reporting operating numbers they commonly have, whether their motor carrier permit number, their number from the Public Utilities Commission, some other operating permit that they received that allows them to legally be in commercial business in the state.

So we'll collecting that information as part of the reporting requirements. And this is actually
something that we developed in conjunction with the
industry as a way to improve the enforceability of the
regulation.

What we will do is collect that information and
make that available on-line. So somebody can go and look
to see whether or not a fleet they want to hire is
reported to be in compliance with the regulation. And
that's as far as it's going to go. Check on a web page,
make sure the fleet they're hiring has been reported as
compliant. If they are, that hiring company has no
further obligation.

BOARD MEMBER TELLES: They don't have to go out
and inspect the truck?

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF
WHITE: No, they do not. Simply a check.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: That's
true on the SmartWay. It's the same way. I think that
was not clear yesterday from the discussion. But that's
the way it would work.

BOARD MEMBER BERG: On the off-road rule, we were
going to actually issue compliant cards or some kind of
compliant document saying that a company was in compliance
with the off-road. Almost like your insurance card. And
so --

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

PETERS SHORTHAND REPORTING CORPORATION  (916) 362-2345
WHITE: The intent is a similar approach with this.

CHAIRPERSON NICHOLS: Okay.

BOARD MEMBER BERG: I just had a couple other --

CHAIRPERSON NICHOLS: Sure.

BOARD MEMBER BERG: One comment was made on -- although it doesn't seem to be a big issue over the next couple of years. Never the less, adding to fleets. Why can't we report addition to fleets on an annual basis rather than every 30 days to the Executive Officer?

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Vehicles won't to be reported every 30 days. The reporting requirements is just once a year.

BOARD MEMBER BERG: Okay. Great.

And then retrofit performance standards, I think it's critical that we have information that truly explains performance standards to duty cycles so that operators can make good decisions as to whether to retrofit an existing vehicle or to buy a new/used vehicle and retrofit that, because that will give them the duty cycle.

And so I don't know if this is an outreach issue. But I'd really like you to take note of that. And I think it's a critical area. Because otherwise, we're going to hear horror stories about how things don't work.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: I think we can certainly fold this into our
planned implementation efforts for the rule.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: If you were referring particularly to the retrofit devices like filters, not the SmartWay stuff --

BOARD MEMBER BERG: Yeah. Specifically.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: We do have that. Each EO is on our website. So it explains exactly what the device was certified to, the percentage reduction, the level, and also says what engine families it is applicable to. And what temperature requirements is needed from the exhaust when you monitor that to make sure it works. So that is on the website now. I think everybody knows how to access that. But we're going to try to make it more friendly in the future I think as well.

BOARD MEMBER BERG: I understand that. But I think to a layperson that is not a mechanic to be able to go in and look at, is that going to give me eight hours, or am I going to need to regenerate after four hours? Am I going to need two filters because my engine runs hot? So those are the types of things. I think we're simplifying it a bit, which is leading people to believe that they go and buy a filter for their particular vehicle because it's on there that they're going to get the duty cycle that they're currently
running. And I think that's of issue.

EXECUTIVE OFFICER GOLDSTENE: We can make sure that the information that's available has that added so everyone understands how to calculate the use of a particular device within their own business operation in simple to understand terms.

BOARD MEMBER BERG: And then finally, on the economic update, I think if we were to treat the economic update like we did the technology update for the off-road rule, so we truly came back with not only economic data but anecdotal data.

So I would like to suggest that we have some workshops where we truly hear from people that are applying to the various programs that we have and make sure that we're getting that money available to them and that we know how many are applying and how many are we being able to service. And then also hearing other financial impact, just like we would on the technology review that we're going to get in January. So when you come back to us a year from now that it really would be a full report both data wise and anecdotally wise what's the reality of what's going on on the ground.

And then finally, I would like to see in the attainment areas, I do believe that both PM and NOx is very important. But because it's in attainment areas, I
believe we can get both through allowing them to focus on the NOx. Let them go through and not have -- be hit twice for cost.

So it would be my desire to see that in attainment areas that we would allow the individuals to be under the NOx rule, which at the end of the day will also take care of the PM once they all get new trucks.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Just to clarify, Board Member Berg. The suggestion is is that early PM requirements would be harmonized with the existing NOx turnover date?

BOARD MEMBER BERG: Correct. Only in attainment areas.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Only in attainment areas. Okay.

BOARD MEMBER RIORDAN: Madam Chair, could the staff put up their recommendations on the diesel items? I've forgotten what slide number that was. Your suggested revisions.

While they're putting that up, maybe to focus --

CHAIRPERSON NICHOLS: I agree. I was waiting for someone to do it.

BOARD MEMBER RIORDAN: I don't know that I can do all of it.

But it would seem to me that we might move
forward by adopting those that the staff has recommended,
along with the last that Member Berg suggested with others
of the attainment area -- and I'm trying to think if there
are -- the enforcement -- there's some enforcement --

CHAIRPERSON NICHOLS: Direction.

BOARD MEMBER RIORDAN: Direction and financial
direction, financial assistance direction.

Are we missing anything else?

BOARD MEMBER D'ADAMO: Courtesy inspection

program.

BOARD MEMBER RIORDAN: Courtesy inspection.

BOARD MEMBER BERG: Was there anything on the
school bus?

CHAIRPERSON NICHOLS: I wasn't --

EXECUTIVE OFFICER GOLDSTENE: You didn't make
any --

CHAIRPERSON NICHOLS: I didn't make any request,
because I couldn't come up with a good answer.

BOARD MEMBER BERG: Could we add the school bus
to the economic, specifically have an area -- a focus on a
school bus within the economic review so that we can
monitor that very carefully?

EXECUTIVE OFFICER GOLDSTENE: Yeah.

CHAIRPERSON NICHOLS: Yeah. I have a broader
concern. I don't exactly understand which districts
operate their own buses, which of them rent out to other contracts. Whether the contract buses, because they're operated by private fleet owners, are cleaner or not. You know, these are things that you sort of would like to know before deciding how to go about tailoring a regulation. I don't feel that we've really ever looked at that.

BOARD MEMBER BERG: Could we ask for that information to come back in a year?

CHAIRPERSON NICHOLS: I think we should. Good plan.

BOARD MEMBER RIORDAN: That would be included, but I would like to move forward on this.

And I move that -- recognizing that I know our legal counsel is going to want us to do ex partes at some point in time.

CHAIRPERSON NICHOLS: Before we actually vote.

BOARD MEMBER RIORDAN: I'd like to put that in the form of a motion of the adoption with the suggestions that staff has made, plus the others that we just enumerated.

BOARD MEMBER D'ADAMO: I'll second that motion.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF WHITE: Chairman Nichols, we need two small clarifications before.

We need a clarification as to whether or not the
Board is leaving out the requirements for the tires on the tractors for the SmartWay proposal in terms of if they are including or not including the tractors as part of that proposal, whether the tire requirements for the tractors are also to be delayed. And also we've identified a need to clarify the provisions in the port truck rule that are going to be new. We would like to ability to go back and do that as well.

CHAIRPERSON NICHOLS: Dr. Sperling.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I'm not clear on the tractor, what exactly you were saying.

I thought I heard Dr. Sperling say that he wanted just a recognition that if this would be adopted. But if we don't get procedures and stuff taken care of, we would be back to change it. Something more positive, more definitive like that.

CHAIRPERSON NICHOLS: Chairman Nichols modified that to say something to the effect that we would make it clear we're not going to implement it or enforce it until and unless we get assurance that, you know, the measurement protocol are developed to our satisfaction.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: Right.

But does that mean not adopt it now or does that mean --

CHAIRPERSON NICHOLS: No. We're going to move on this. We don't --
Chief Deputy Executive Officer Cackette: Become regulation with a caveat on it --

Chairperson Nichols: Yes. I think so. It's got a bomb attached to it that will go off unless you guys certify it's happened.

Chief Deputy Executive Officer Cackette: I think the tires is perhaps different, because the tires does have the SAE procedures and well established for both the trailers. If you wanted to make it clear the tires are at least a go, that would be a separate action from --

Chairperson Nichols: Yes. We weren't questioning the tire process.

Board Member Balmes: Madam Chair, just a procedural question. We're bouncing back between the two --

Chairperson Nichols: We're going to vote separately on the two rules. But we are giving some general instructions to the staff here. Right.

Mayor Loveridge.

Board Member Loveridge: I just want to make a point of order on the ex parte. We listened to some 300 people. And everybody that we talked to has been heard. There's no secret disclosures that are going to come out from our ex part.

I guess I would ask why, given the extraordinary
testimony of so many people, why do we need to go through
that? I don't mind going through it.

CHAIRPERSON NICHOLS: I understand. Actually, I
believe that this Board exceeds any legal requirements on
us in terms of our custom of disclosing who we've talked
to.

If we were going to go through them, I would not
list every individual that was included in every meeting.
I would list three different meetings or conference calls
that I participated in. And I'm not sure that that -- I
agree with anyone would know more than they know based on
what we've heard. But that's sort of the point is unless
you learn something from the ex parte -- you don't have to
disclose it at all, unless you gained information as a
result of that meeting that you wouldn't get through the
open meeting.

BOARD MEMBER LOVERIDGE: If there are people that
gained something from an ex parte meeting other than what
they received from the multiple testimonies and staff,
please --

CHAIRPERSON NICHOLS: Would they please disclose
it?

I think that's fine, unless I'm advised
otherwise. We don't have to go through and read them. I
think we all were contacted numerous times by groups. And
certainly I talked to representatives of the health and environmental communities and talked to representatives of the DTCC group who were very impressive, by the way, I would say. In terms of any specific information, it wasn't different than what we heard. But just as far as the level of effort and thought and concern they put into this effort, I have to say it was really extraordinary. And I think we benefited and the staff benefited a lot from it.

And then I also met with representatives of the agricultural industry. And I would say I probably was influenced by their comments in that meeting to a degree that wouldn't have been reflected by this testimony here, because I had a lot of doubts about the staff proposal in this area. I tend to be somewhat resistant to carving out specific industries for specific kinds of treatment.

And I really needed a better explanation of why the staff felt that it was legitimate to sacrifice in effect some reductions here for this particular group. And I think that their explanation convinced me that they were not just responding to a perceived interest group or political pressure, but that they felt that there were unique circumstances about the vehicles and the way they were operated that made a difference in terms of whether you could actually make the rule work for those vehicles.
in the same way it works for others. So I am not pursuing any changes in that particular program.

Anybody else want to disclose any other meetings they had? Okay.

EXECUTIVE OFFICER GOLDSTENE: We'd like to clarify what the Board is proposing.

CHAIRPERSON NICHOLS: I believe that there is a motions on the floor to adopt the resolution and the staff proposal with modifications that are the ones that you've put up on the board, plus the additional things that were read.

BOARD MEMBER RIORDAN: There's some directives to you.

CHAIRPERSON NICHOLS: Some direction coming from the --

EXECUTIVE OFFICER GOLDSTENE: On the attainment delay for PM retrofits.

CHAIRPERSON NICHOLS: Sorry. I don't understand. Maybe I need clarification.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: What we heard the discussion was in attainment areas for vehicles used exclusively in attainment areas, take the PM requirement and push it back to whenever the turnover requirement is, which in many cases would be I guess 2021 or something like that. So the trucks would not to have
filters until 2021 and be a 2010 or newer vehicle at that time.

So there would be no retrofitting of those vehicles. And that would apply to all types of vehicles in attainment areas used exclusively in attainment areas. Is that -- we weren't clear if that was what the proposal is or not.

CHAIRPERSON NICHOLS: It seems a little out -- I wasn't either. And that I agree seems a little bit more expansive.

BOARD MEMBER RIORDAN: I don't know -- certainly it's very critical that they be functioning -- that they have to be certified by the owner that they're going to only travel in the attainment area.

Now, you could put some more low mileage on it, but I don't think that's reasonable.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I think the mileage didn't work. At least in the logging truck example it was 50,00 miles and the other low exemption are 7500 or 15,000 or something like that.

BOARD MEMBER RIORDAN: I don't know.

Dr. Balmes, did you have any thoughts on that? I don't know how you could differentiate.

BOARD MEMBER BALMES: I didn't have any specific thoughts. I was throwing that out as a concept. If staff
says we'd have trouble meeting the SIP requirements by
this then --

BOARD MEMBER RIORDAN: No. Because they're in
attainment areas.

BOARD MEMBER BERG: They have to follow the NOx
turnover anyway. So they're going to have to go by one of
the three schedules, either the BACT. They're going to
have to do fleet averaging. Whatever the NOx turnover is
the schedule that they'll be following.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF
WHITE: Actually, let me clarify. For vehicles that are
operated exclusively in those areas, they're exempt from
the NOx requirements until 2021. So they won't -- there
is no requirement that they turn over in the intervening
years between now and then.

EXECUTIVE OFFICER GOLDSTENE: So the localized
impact --

BOARD MEMBER BALMES: That's more expansive.

BOARD MEMBER BERG: That's more expansive than I
was too. But I would like to do some sort of
harmonization so they didn't have twice the cost because
they're in attainment areas. And I think that we could do
something.

BOARD MEMBER RIORDAN: Do you have a suggestion,
staff, where we might -- you know, we're trying to be
helpful. Okay. You know we're going.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: I understand.

I think the difficulty and why we asked the question is because in recognition they're already in attainment areas, we already pushed off the turnover requirement, which means it will be a 2010 engine until 2021. At that time, they will automatically have a filter and the low NOx.

So the increment that we would be addressing is do they have to do any retrofit or get a vehicle that's not a 2010 but has a filter on it prior to that date, which then gets to Ms. Berg's concern that there would be two things happening, which is what typically is going to happen to many other fleets. To do a retrofit at one time and replace the vehicle later.

The only structure we have is to wait until 2021 and pull that date forward in order to delay the date of the filter so they once again coincided. So we'd have to come up with a much more elaborate approach or just say they don't have to do anything until 2021.

CHAIRPERSON NICHOLS: I think what really started all of this was concern about logging trucks, right. I mean, that was where I think Mayor Loveridge was initially concerned was and also Dr. Balmes, why we were
discriminating in one area.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: The problem was the logging trucks in the analogy to ag just don't work. Because as we heard, most of the logging trucks are more like 50,000 miles a year. And the ag exemptions we talked were 10,000, 15,000, 20,000 max depending on calendar year.

BOARD MEMBER RIORDAN: They're very short hall.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: For everybody else, it's 7500 miles. So neither of those come close to addressing logging, which is why logging is what the way we proposed it. It wasn't an analogue to the way we treated agriculture. We call them an agriculture vehicle, but a high mileage agriculture vehicle has to comply, too. They wouldn't be any special consideration.

BOARD MEMBER LOVERIDGE: Part of this is there is an absence of numbers and analysis and what that means. Do you have any offhand surmises?

DEPUTY EXECUTIVE OFFICER TERRY: I was just going to offer, because we're talking about federal non-attainment areas, that does include some areas that have urbanized areas within them. And I think that's the analysis that's missing, as opposed to more remote counties with very few high-volume traffic areas and the exposure issue. We haven't done that analysis.
CHAIRPERSON NICHOLS: We're trying to look at risk in a world that doesn't allow us unfortunately the data to do the risk assessment.

BOARD MEMBER RIORDAN: But you also have to remember logging trucks operate -- they don't operate a year long season. Theirs is a contracted season most often. I mean, you know, there may be some areas that are not. But as it was explained to me, they operate only when the weather permits. And that is not 12 months a year. So you have some limitations there.

DEPUTY EXECUTIVE OFFICER TERRY: I guess what I was interpreting was this discussion to include all types of captive fleets that operated only within the non-attainment area. And that could be for example --

BOARD MEMBER BALMES: You mean attainment.

DEPUTY EXECUTIVE OFFICER TERRY: Yes. So, for example, those could be fleets that operate in Santa Barbara County. And what we would be forgoing is particulate traps and diesel risk reduction. That's the issue here.

CHAIRPERSON NICHOLS: Santa Barbara people have not been heard on this issue either. And I think they might well object frankly if they knew this was under consideration. It's going pretty far beyond.

BOARD MEMBER RIORDAN: Maybe it would be best
just to limit it to logging trucks that we've discussed
and have some knowledge about. I don't want to open up
something.

BOARD MEMBER BERG: I don't want to open up a can
of worms either, especially since Mendocino supervisors
came in with a resolution. And they've obviously
discussed this. Maybe it is a logging issue. Would the
Board be comfortable with that?

CHAIRPERSON NICHOLS: How about if we don't fix
it for now. I think what I would be more comfortable with
is not fixing it at this time until we've had a chance to
send staff back to think about some more. I think we
could ask for a report back in January, because we'll be
dealing with diesel issues again.

EXECUTIVE OFFICER GOLDSTENE: We can look at it
and come back to the Board with a --

CHAIRPERSON NICHOLS: With some options that
might be available. I think --

BOARD MEMBER BERG: I would be comfortable with
that as well. Absolutely. That we leave it so that you
come back and we can discuss it again.

CHAIRPERSON NICHOLS: We've gotten to that point
in the meeting where we're about to fall off into some
other area. So let's bring it back, as Ms. Riordan
suggested earlier.
BOARD MEMBER RIORDAN: Madam Chair, if I might,
just as the maker of the motion. We need to acknowledge
the date again with the staff proposed -- I don't know
that your amendments but --

EXECUTIVE OFFICER GOLDSTENE: 15 day changes.

BOARD MEMBER RIORDAN: To the July 1st, 2008, for
the --

EXECUTIVE OFFICER GOLDSTENE: We could quickly
run through those.

Eric, why don't you do that?

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF
WHITE: Okay. We have on the list a courtesy inspection
program for fleets to help them determine compliance.

We have return to the Board, update to the Board
by the end of 2009 with workshops prior to that to discuss
funding and how many fleets are taken advantage of that.

The state of the economy as well as the impacts
that is having on emissions.

And also update on school buses.

We also have a direction to go back and look
at -- I'm unclear whether it's the PM requirements in
rural attainment areas as it relates just to logging or to
all vehicles.

EXECUTIVE OFFICER GOLDSTENE: We'll look at both.

BOARD MEMBER RIORDAN: Both.
HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

WHITE: I also have the two proposed staff suggestions to begin for early retirement credit as of July 1st, 2008.

Extend the small fleet provisions by one year to January 1st, 2014, and subsequently extend the subsequent dates as well.

And I believe as well as all the other 15-day changes that we had proposed yesterday.

EXECUTIVE OFFICER GOLDSTENE: Including conforming the port truck rule.

HEAVY-DUTY DIESEL IN-USE STRATEGIES BRANCH CHIEF

WHITE: Including conforming the port truck rule.

EXECUTIVE OFFICER GOLDSTENE: Ms. Berg asked that we simplify or show duty cycle information on the website about the equipment.

CHAIRPERSON NICHOLS: Okay.

BOARD MEMBER TELLES: Before we leave this, one of the important things here is monitoring of the economic impact.

And my question to staff and Board is if we monitor it and we find out there's severe economic impact, what's the plan?

CHAIRPERSON NICHOLS: I don't think we're going to be in a position to decide today what we would do, because the possibilities really range from no change to
more horrible than we can currently imagine, to things are
actually coming along better and we don't have to worry
about it.

And I think if the option is more horrible than
we can currently imagine, there's a lot of other things
that will be on the table at that point in terms of the
program, including, you know, whether the Air Resources
Board will be operating at its usual level. Seriously.
I'm not being factitious. There are some projections
about the state of the economy that could be that grim as
far as people being furloughed and literally not around to
do the analysis we're talking about. So I don't believe
that's what's likely to happen in all honesty.

But I do think that if we were in a position
where we saw that not only were we losing businesses and
jobs, but we were also seeing more of a slide even in the
economy as a result of not having trucks around, we would
also have to look at the affect that was having on
emissions and tell the public and the EPA we were going to
be -- we weren't going to be proceeding. But I don't
think we -- I don't think it's a good idea to start
playing out these scenarios right now.

BOARD MEMBER TELLES: I kind of disagree.

CHAIRPERSON NICHOLS: You're allowed to do that.

BOARD MEMBER TELLES: The reason why I asked my
question the other day about what's the impact if someone loses their job on this, because it's a health question. That's someone that a physician understands.

The health part of that is, having taken care of cardiovascular patients for the last 30 years, there's almost no bigger risk factor than something losing their job. I mean, I see this on a daily basis. And we're talking about balancing health effects here. And when a person loses their job, their health just falls apart.

So to me it's a huge health question. And the reason to do this is to improve the health of the people of the state of California, not to make it worse.

And in the economic impact question I keep on asking is if we run up against truckers that are going to lose their source of income, their livelihood, their equity, their retirement plan, all those things that go along that puts a huge stress on that population, that population when you count the numbers here is a million people. I don't think there's any bigger industry in California that hires a million people. And I don't think there is a bigger economy that has or any economy that has a million trucks, you know. A truck for every 30 people. And it's huge.

And I would like some kind of -- to seek some kind of off ramp or some kind of protection for the
trucking group that -- you know, we've heard the dump
truck people and all this that are going to potentially be
the biggest jeopardy and at risk of losing everything. I
don't think the State of California wants to put people
out of work. I personally wouldn't want to do that just
from the health point of view of it.
I know this is the difficult thing we're dealing
with here, but I think we have to address.

BOARD MEMBER D'ADAMO: Madam Chair, may I?

CHAIRPERSON NICHOLS: Please.

BOARD MEMBER D'ADAMO: I just think that I'd like
to go back to your comment in opening. And I don't think
that if we look at either extreme it's going to be a
challenge for us.
We're all in favor of clean air, and we don't
want to put anybody out of work.
I would just suggest that we consider the
longstanding actions that this Board has taken. I've been
on the Board long enough to know that when we adopt a
rule, to a certain extent, it's a leap of faith. Staff
has been terrific in bringing rules back to us when we
have misstepped. And I think that with the direction that
staff is getting in coming back to us, not just on the
economic impact, but in particular on that financing
package which is really the lynch pin of what's going to

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enable us to pull this off. So more regular reports on
the financing package.

And I truly believe that if we have misstepped,
staff is going to come back to us mighty quick. Because
we're going to have to make adjustments and somehow still
come into compliance, you know, meeting our SIP
obligations.

CHAIRPERSON NICHOLS: I think I agree with what
Ms. D'Adamo said very sincerely. I also think that the
honest answer to your question that you asked yesterday --
and, you know, I believe you asked it in all sincerity
there is no way to know the answer to your question. It
is unknowable. All you can do is to look retrospectively
at what has happened with rules that we have adopted in
the past. And while this one is big and expensive and is
being adopted in difficult times, we've never adopted a
rule that I'm aware of that didn't have severe opposition
from people who did question what the economic impacts of
that were going to be.

And in looking back at them, again, not to be
assume that the past is always prologue, but the reality
has been that the cost of compliance has turned out to
have been less than we estimated, because we always are
going on data that is given to us by sources. And that
the methods of compliance turned out to be somewhat
different than we anticipated in the beginning. People
found other ways to comply.

So I think that it is the difficulty of this work
that we do in the air regulatory field we're always
betting on what's going to be out there and what the costs
are going to be. And when we get close to the brink if
we're wrong, we have to change as we're seeing we will.

Mayor Loveridge.

BOARD MEMBER LOVERIDGE: Yeah. Just a personal
observation. Serving on the South Coast Board is I don't
think there is a major rule that we adopted where we
haven't heard that it's going to cost jobs. It's going to
cost employment, thus we should not do that. That is one
of the things that's a part of almost kind of rule and
regulation that Air Boards adopt.

CHAIRPERSON NICHOLS: All right. I think at this
point we probably have to move forward towards a vote on
the rule.

Do we understand what it is we're voting on? Do
you understand what we are voting on?

EXECUTIVE OFFICER GOLDSTENE: Yes, we do. Your
first vote will be on the truck rule.

CHAIRPERSON NICHOLS: We'll do the greenhouse gas
rule first I think and then PM and NOx rule.

BOARD MEMBER TELLES: For me to feel comfortable,
are you suggesting when we re-look at this, there's ways
to modify it in the future?

CHAIRPERSON NICHOLS: Sorry. Yes, of course.

BOARD MEMBER TELLES: I was just saying, great.

Monitor it.

EXECUTIVE OFFICER GOLDSTENE: We'll be reporting
back to you with as much information, including the
anecdotal information about financing, the compliance
rate, what's going on with the economy and --

CHAIRPERSON NICHOLS: But I hope you could feel
empowered -- and maybe this is to follow up on the
question I didn't understand Dr. Telles was asking.

If there are problems that are beyond what we
have assumed today, you will recommend changes to the
rule; right?

EXECUTIVE OFFICER GOLDSTENE: Yes, we would.

BOARD MEMBER RIORDAN: Or we may come to that
conclusion yourself.

Dr. Telles, we do have a history of modifying and
changing. And the biggest one is the zero emission
vehicle. Every one of us on the Board at the time that
that passed thought there would be some wonderful
break-through in a battery and somebody would be, you
know, right there with the manufacturers and we would have
zero emission vehicles. Didn't happen. And we had to
make a lot of changes. And so we have a history of going
back and re-visiting some major, major rules when
something does not occur that we had anticipated.

BOARD MEMBER TELLES: I'll make just one final
comment and then be quiet the rest of the day.

CHAIRPERSON NICHOLS: There won't be much more
opportunity.

BOARD MEMBER TELLES: Because, you know, you and
the Mayor have pointed out to me that, you know, making
rules are difficult because everybody complains. But I
think that this particular rule is uniquely different than
all the ones I've participated in in our air pollution
control district or watched. And we're dealing with not
big corporate entities. We're dealing with 30 percent of
this group is small business truck guys who own one truck.
And it's entirely different. And we can't say, well, they
complain and they do all right anyway. Chevron complains
and they do all right. I'm not sure if a trucker who owns
a dump truck is going to complain and do okay.

I think there's a big personal human difference
here that I'm trying to kind of identify and make you all
aware of here. I'm sure you've done this long enough
you're totally aware of it and you don't need this. But I
had to say that.

CHAIRPERSON NICHOLS: I think you've made the
point well. Thank you. I think that is well said.

And I think that's what motivated us to tailor this rule from what was originally presented to specifically single out the smallest truckers for the largest amount of time that with possibly can give and still meet the deadline that we have under the rule as a whole.

So I would like to say that I think that was what was behind that proposal was to -- we don't always single out small businesses. In fact, there's a lot of good economic arguments in many industries to not discriminate in favor of the small. Because oftentimes they're also the most polluting in a particular industry. In this instance, I think we've recognize we're dealing a complex economy and that we have to do something directly targeted at small business. And I'm happy that we are at least in a position to grant some unique kind of tailored relief in that area. We hope it's enough. But if it's not, then we will come back and look at it again. Thank you.

All right. The secretary will call the roll please on -- sorry. We have a motion and a second.

BOARD MEMBER BALMES: I'll second it.

CHAIRPERSON NICHOLS: Ms. D'Adamo already seconded the motion. So on the -- let's do the on-road rule first. Okay. The on-road rule.
BOARD CLERK ANDREONI: Dr. Balmes?

BOARD MEMBER BALTES: Yes.

BOARD CLERK ANDREONI: Ms. Berg?

BOARD MEMBER BERG: Aye.

BOARD CLERK ANDREONI: Ms. D'Adamo?

BOARD MEMBER D'ADAMO: Aye.

BOARD CLERK ANDREONI: Mayor Loveridge?

BOARD MEMBER LOVERIDGE: Yes.

BOARD CLERK ANDREONI: Ms. Riordan?

BOARD MEMBER RIORDAN: Aye.

BOARD CLERK ANDREONI: Professor Sperling?

BOARD MEMBER SPERLING: Yes.

BOARD CLERK ANDREONI: Dr. Telles?

BOARD MEMBER TELLES: Aye.

BOARD CLERK ANDREONI: Chairman Nichols?

CHAIRPERSON NICHOLS: Aye.

BOARD CLERK ANDREONI: Motion passes eight-zero.

CHAIRPERSON NICHOLS: Now we need to deal with

the GHG motion.

BOARD MEMBER D'ADAMO: I make a motion that we

adopt Resolution 8-11-4.

BOARD MEMBER SPERLING: Second.

CHAIRPERSON NICHOLS: Second.

All right. We'll do the roll call again.

BOARD CLERK ANDREONI: Dr. Balmes?
BOARD MEMBER BALMES: Aye.
BOARD CLERK ANDREONI: Ms. Berg?
BOARD MEMBER BERG: Aye.
BOARD CLERK ANDREONI: Ms. D'Adamo?
BOARD MEMBER D'ADAMO: Aye.
BOARD CLERK ANDREONI: Mayor Loveridge?
BOARD MEMBER LOVERIDGE: Aye.
BOARD CLERK ANDREONI: Ms. Riordan?
BOARD MEMBER RIORDAN: Aye.
BOARD CLERK ANDREONI: Professor Sperling?
BOARD MEMBER SPERLING: Aye, since we're doing ayes now.
BOARD CLERK ANDREONI: Dr. Telles?
BOARD MEMBER TELLES: Aye.
BOARD CLERK ANDREONI: Chairman Nichols?
CHAIRPERSON NICHOLS: Aye.
BOARD CLERK ANDREONI: Motion passes eight-zero oh.
CHAIRPERSON NICHOLS: All right. Thank you all very much. Thank you.
EXECUTIVE OFFICER GOLDSTENE: We have one more item, the research proposal on fee bates.
CHAIRPERSON NICHOLS: Let's just do it on a -- we don't have to have a presentation. We all received the materials in advance.
BOARD MEMBER BERG: So moved.

BOARD MEMBER D'ADAMO: Second.

CHAIRPERSON NICHOLS: We have a motion from Ms. Berg, a second from Ms. D'Adamo. All in favor say aye.

(Ayes)

CHAIRPERSON NICHOLS: Any opposed?

Dr. Sperling is recusing himself.

EXECUTIVE OFFICER GOLDSTENE: Thank you.

(Thereupon the California Air Resources Board adjourned at 4:12 p.m.)
CERTIFICATE OF REPORTER

I, TIFFANY C. KRAFT, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing hearing was reported in shorthand by me, Tiffany C. Kraft, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 18th day of December, 2008.

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