APPEARANCES

BOARD MEMBERS
Ms. Mary Nichols, Chairperson
Dr. John Balmes
Ms. Sandra Berg
Mr. Hector De La Torre
Mr. John Eisenhut
Supervisor John Gioia
Mayor Judy Mitchell
Mrs. Barbara Riordan
Supervisor Phil Serna
Dr. Alex Sherriffs
Dr. Daniel Sperling

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Mr. Richard Corey, Executive Officer
Mr. Alberto Ayala, Deputy Executive Officer
Ms. Edie Chang, Deputy Executive Officer
Ms. Lynn Terry, Deputy Executive Officer
Ms. Ellen Peter, Chief Counsel
Ms. La Ronda Bowen, Ombudsman
Mr. Alvaro Alvarado, Manager, Health and Ecosystems Assessment Section, Research Division
Mr. Tony Brasil, Branch Chief, Heavy-Duty Diesel Implementation Branch, MSCD
APPEARANCES (CONTINUED)

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Mr. Kirk Oliver, Senior Attorney, Legal Office
Mr. Todd Sax, Assistant Chief, MCSD
Mr. Bruce Tutler, Manager, Mobile Source Compliance Assistance and Outreach Section, MSCD
Ms. Beth White, Manager, On-Road Compliance Assistance Section, MCSD
Mr. Erik White, Chief, MSCD
Ms. Liz Yura, Manager, Goods Movement Program Section, Stationary Source Division

ALSO PRESENT
Mr. Alan Abbs, Tehama County APCD
Mr. Azibuike Akaba, Regional Asthma Management & Prevention
Mr. Larry Alegre, Lawrence M. Alegre Trucking, Inc.
Mr. William Allen, California Bus Association
Mr. Don Anair, Union of Concerned Scientists
Mr. Myles Anderson, Anderson Logging, Inc.
Ms. Shellie Archer, Archer Trucking, Inc.
Mr. Bill Azevedo, Azevedo Livestock and Transportation
Ms. Diane Bailey, NRDC
Mr. Chris Baker
Ms. Patricia Barrett, Aloha Transport
Mr. Albert Batteate, CCA
Mr. Doug Beachler, Cal Valley Trucking
APPEARANCES (CONTINUED)

ALSO PRESENT

Mr. Kirk Blackburn, California Tow Truck Association
Ms. Leona Boilen
Mr. Dennis Brazil, San Joaquin Valley APCD
Dr. Rasto Brezny, MECA
Mr. Doug Britten, Britton Trucking
Mr. Jack Broadbent, BAAQMD
Mr. Skip Brown, Delta Construction Company
Ms. Bryn Burke, MCOG
Mr. Bud Caldwell
Mr. Robert Carleson, Associated California Loggers
Supervisor Judy Case McNarry, San Joaquin Valley APCD
Ms. Angela Caster
Ms. Patricia Chappell, New Voices Are Rising
Mr. Michael Coates, Diesel Technology Forum
Mr. Robert Comer
Mr. Mike Cook, A&A Ready Mix
Ms. Cynthia Crist, California Truckers Against CARB
Mr. Zack David
Mr. Stephen Davis, AELS/RV Jensen, Inc.
Mr. Fred DeBoer, DeBoer & Sons Trucking
Mr. Hank de Carbonel, California Concrete Pumpers Alliance
Ms. Joanna deGraaf, deGraaf Ranch Trucking
APPEARANCES (CONTINUED)

ALSO PRESENT

Mr. Ron DeVries, DeVries Trucking
Mr. Ralph DiLibero
Mr. Tony Dorsa, United Contractors
Mr. Sean Edgar, Cleanfleets.net
Mr. Garren Fain, G. Fain Trucking
Mr. Ron Faulkner, Faulkner Trucking
Ms. Debbie Ferrari, MAG Trucking, Inc.
Mr. Jared Ficker, Catalina Island Company
Mr. Tony Fisher, Coalition for Clean Air
Mr. Aubrey Freedman, Libertarian Party of San Francisco
Mr. Douglas Gearhart, Lake County Air Quality
Ms. Heather Grass
Mr. Emmanuel Greene, New Voices Are Rising
Mr. Larry Greene, SMAQMD
Ms. Lisa Grote, Be CARB Compliant
Mr. Christopher Hessler, AJW, Inc.
Mr. Henry Hogo, South Coast AQMD
Ms. Bonnie Holmes-Gen, American Lung Association
Mr. Chuck Hunter
Mr. Loren Hutnick, California Truckers Against CARB
APPEARANCES (CONTINUED)

ALSO PRESENT

Mr. Larry Johnson, Mono County
Ms. Susan Jones
Mr. Ajay Joshi, Johnson Matthey
Mr. Michael Lewis, Air Quality Coalition
Mr. Tim Lewis, Tim Lewis Livestock
Mr. Mitch Lopez, Lopez AG Service, Inc.
Ms. Gayle Lopopolo, Ganduglia Trucking
Mr. Tony Luiz
Mr. Ian MacDonald, CTLI
Mr. Bill Magavern, Coalition for Clean Air
Mr. Alvan Mangalindan, Crane Owners Association
Ms. Stacey Moritz-Erb, Chuck Erb Horse Transportation
Mr. Joe Matlen, Valley Farm Transport
Mr. Miguel Mendoza, New Voices Are Rising
Mr. Christopher Miller, Advanced Engine Systems Institute
Ms. Sylvia Milligan, SCCC
Mr. Kaelin Mixon, New Voices Are Rising
Ms. Erica Morehouse, Environmental Defense Fund
Ms. Charlene Moyd, New Voices Are Rising
Mr. Gary Nannini, G. Nannini & Company
Mr. Dzung Nguyen
ALSO PRESENT

Mr. Thomas J. Lanting, Gardner Trucking, Inc.
Mr. Malcolm McAlroy, New Voices Are Rising
Mr. Justin Oldfield, California Cattlemen's Association
Mr. Brad Peek
Ms. Kathryn Phillips, Sierra Club California
Mr. Joe Rajkovacz
Mr. Bob Ramorino, Roadstar Trucking, Inc.
Ms. Jill Ratner, New Voices Are Rising
Mr. Michael Rea, California Association of School Transportation Officials
Mr. Ahiezer Reyes, New Voices Are Rising
Mr. Doug Rocha, Rocha's Valley Enterprises
Ms. Doreen Rogers
Mr. Seyed Sadredin, San Joaquin Valley APCD
Ms. Elizabeth Sanchez, First Student
Mr. Matt Schrap, California Fleet Solutions and Crossroads Lease & Finance
Mr. Zion Shields, New Voices Are Rising
Mr. Chris Shimoda, California Trucking Association
Mr. Allen Skinner, CCA
Mr. James Slater, West Coast Sand & Gravel
Mr. Gary Simons, Donaldson Filtration Solution
APPEARANCES (CONTINUED)

ALSO PRESENT

Mr. Greg Smith, Maxx Air
Mr. Patrick Smith, Harris Ranch
Mr. R.J. Smith, Solid Rock Construction/Lassen Materials
Mr. Tim K. Smith, General Sierra Mining Association
Mr. Joshua Stilwell, Redwood Aleto Transport
Mr. Chris Torres, F&L Farms Trucking, Inc.
Mr. John VanDyk, VanDyk Trucking
Mr. Robert Van Dyke, VA Farms Trucking
Mr. Richard Vaughn
Mr. Joe Varozza
Mr. Jim Wagoner, Butte County AQMD
Mr. Steve Weitekamp, CMSA
Mr. Bruce Wick, CALPASC
Mr. Robert Willis, New Voices Are Rising
Mr. Chris Wortman
Mr. Richard Wright
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CHAIRPERSON NICHOLS: Good morning, ladies and gentlemen. We're just getting assembled here. I'm going to call the meeting to order. And before you all get settled, you might as well stand up because we begin the meeting with the Pledge of Allegiance to the Flag.

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

CHAIRPERSON NICHOLS: I'm going to ask the Clerk will please call the roll, please.

BOARD CLERK JENSEN: Dr. Balmes?

BOARD MEMBER BALMES: Here.

BOARD CLERK JENSEN: Ms. Berg?

BOARD MEMBER BERG: Here.

BOARD CLERK JENSEN: Mr. De La Torre?

Mr. Eisenhut?

BOARD MEMBER EISENHUT: Here.

BOARD CLERK JENSEN: Supervisor Gioia?

BOARD MEMBER GIOIA: Here.

BOARD CLERK JENSEN: Mayor Mitchell?

BOARD MEMBER MITCHELL: Here.

BOARD CLERK JENSEN: Mrs. Riordan?

CHAIRPERSON NICHOLS: Here.

BOARD CLERK JENSEN: Supervisor Roberts?

Supervisor Serna?
BOARD MEMBER SERNA: Here.

BOARD CLERK JENSEN: Dr. Sherriffs?

BOARD MEMBER SHERRIFFS: Here.

BOARD CLERK JENSEN: Professor Sperling?

BOARD MEMBER SPERLING: Here.

BOARD CLERK JENSEN: Chairman Nichols?

CHAIRPERSON NICHOLS: Here.

BOARD CLERK JENSEN: Madam Chairman, we have a quorum.

CHAIRPERSON NICHOLS: Thank you.

A couple of announcements I want to make before we begin. I want to make sure that people know we're expecting a large number of attendees. Well, we already have a large number of attendees. But in case more come, we also have available the Coastal Hearing Room next door for overflow. And there is audio and visual.

We also have interpretation services available. I see our interpreter is here at the podium. There are headsets available outside the hearing room and at the sign-up table.

So I will wait for a moment so that, Madam Translator, you can translate what I just said.

(Whereupon the announcement was translated into Spanish.)

CHAIRPERSON NICHOLS: Okay. Anyone who wishes to
testify should fill out a request to speak card. Those are also available in the lobby outside this room. And please return the cards to the Clerk of the Board prior to your item being called. If you don't wish to list your name, you don't have to, but it helps us.

We will be imposing a three-minute time limit. We would like when you come up to the microphone to say who you are and then put your testimony into your own words rather than reading your testimony. Sometimes people feel like if they don't read every word in their written testimony that we won't have heard it. I want you to be assured that anything you've written and submitted will be included in the record and the Board members all look at this material.

I need to point out to you by the rules of this building that we have safety exits here in this auditorium. There are two in the back and one on either side of the dais up here.

In the event of a fire alarm, we are required to evacuate this room immediately and go down the stairs and out of the building until we get the all-clear signal and we're allowed back into the building. Again, I think that's it for preliminary remarks.

I want to turn to the first item on our agenda. We have a consent calendar before we begin the regular
calendar. I almost went by it too fast.

The only item on the consent calendar today is Item 14-3-5, which discusses changes in appointments to our Research Screening Committee.

Madam Clerk, is there anyone who signed up to testify on this item?

BOARD CLERK JENSEN: I'm sorry.

CHAIRPERSON NICHOLS: I know you were talking. I'm asking you about the consent item, whether anyone signed up. Okay. Good.

Are there any Board members who wish to have this item removed from the consent calendar?

Okay. Good.

BOARD MEMBER RIORDAN: I move approval of Item 14-3-5.

BOARD MEMBER BERG: Second.

CHAIRPERSON NICHOLS: All in favor please say aye.

(Unanimous vote)

CHAIRPERSON NICHOLS: Any opposed?

Great. Thank you.

Now we move to the regular agenda. And the first item is an informational report on the health effects of air pollution.

At our last meeting, staff briefed the Board on
how atmospheric science has informed our air quality programs. This month, staff is briefing us on the nature of the health impacts that form the basis for our air quality standards and the identification of toxic air contaminants.

This is a pretty basic briefing, but I think it's useful that we set the stage for regulatory work that we're doing. I know some of our Board members will probably have heard this before, but doesn't hurt to have a fresher.

So, Mr. Corey, will you please introduce this item.

EXECUTIVE OFFICER COREY: Yes, thank you, Ms. Chairman.

Today, staff will present a synopsis of the results of hundreds of studies from the scientific literature that provide evidence of the adverse health effects associated with air pollution. These results come from a large body of peer-reviewed research, and they show that premature death, worsening of heart and lung disease, and cancer risk is linked to exposure to air pollution.

Public exposure to air pollution is a particular concern for more vulnerable populations such as children and the elderly with preexisting disease. Ambient air quality standards are designed to protect people from the
adverse health effects of air pollution by serving as public health goals that must be achieved by certain deadlines.

In addition, California’s toxic air contaminant program requires ARB to reduce emissions of these pollutants that pose a cancer risk or other health impact. Dr. Alvaro Alvarado of the Research Division will give the presentation.

(Thereupon an overhead presentation was presented as follows.)

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MANAGER ALVARADO: Thank you, Mr. Corey. Good morning, Chairman Nichols and members of the Board.

This morning’s presentation is an overview of health effects of air pollution. The presentation will start with four topics. We will start with an overview of the major health effects of air pollution and a discussion of factors that increase people’s vulnerability to pollution.

I will then discuss health risk from toxic air contaminants and how air quality standards set public health goals that lead to reduced health risk from particulate matter and ozone air pollution.

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MANAGER ALVARADO: This morning, we will focus on
the health effects of particulate matter and ozone, two key air pollutants for which there are national ambient air quality standards, or NAAQS. We will also touch on another class of air pollutants, toxic air contaminants, some of which can cause cancer.

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MANAGER ALVARADO: We have known since the 1930s of the serious health effects of air pollution. Some of the most notable air pollution events occurred in the Meuse Valley of Belgium in 1930 in Donora, Pennsylvania in 1948, and in London in 1952. During each of these episodes, many people died and many more were sickened. Since these dramatic episodes, scientific studies of the relationship between air pollution exposure and health effects have been performed in countries worldwide. The results of decades of studies make it clear that air pollution contributes to health impacts in California even today, when air pollution levels have dropped significantly. Particulate matter and ozone account for over 90 percent of the identified air pollution-related health impacts. In addition, there are many toxic air contaminants in the air that pose a risk for cancer.

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MANAGER ALVARADO: Air pollution exposure
influences health in one of two ways, either by worsening
preexisting chronic diseases, primarily those of the
cardiovascular system --

--o0o--

MANAGER ALVARADO: -- and lungs or by causing
disease, primarily cancer.

While we know that ozone and traffic air
pollutants can trigger an asthma attack, there are also
emerging evidence that the onset of asthma associated with
exposure to pollution.

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MANAGER ALVARADO: There is a consistent body of
scientific evidence that exposure to particulate matter
and ozone can lead to premature death. It can also worsen
the impact or even accelerate the progression of chronic
disease. People who experience most of the adverse health
effects associated -- related to air pollution exposure
suffer from an underlying chronic health problem,
particularly cardiovascular or respiratory disease.

In these vulnerable populations, air pollution
increases the risk of heart attacks and stroke and worsens
asthma symptoms.

Air pollution can impact even healthy adults at
levels we still experience in California. The latest
studies on ozone air pollution show some impacts on lung
function in healthy adults exposed to ozone while exercising.

In addition to the major health effects associated with particulate matter and ozone pollution, cancer risk increases with exposure to toxic air contaminants, such as benzene, butadiene, and diesel particulate matter.

--o0o--

MANAGER ALVARADO: The strongest evidence for premature death from air pollution is associated with exposure to particulate matter, both for short-term and long-term exposures.

Risk of death is especially elevated for cardiovascular causes, including heart attacks and congestive heart failure. This effect is observed in older adults who have established cardiovascular disease. There is also elevated risk for premature death for respiratory causes. Ozone exposure is associated with premature death in people with preexisting respiratory diseases, such as chronic obstructive pulmonary disease, or COPD.

--o0o--

MANAGER ALVARADO: Human health studies consistently show that exposure to particulate matter and ozone pollution can worsen chronic cardiovascular disease.
Studies in California and US cities and countries worldwide find high levels of these pollutants associated with increases in hospitalization and emergency department visits. While it's clear that PM worsen cardiovascular disease, there is little evidence that air pollution is a primary cause of cardiovascular disease.

Ozone is also associated with cardiovascular health effects, but the greatest effects are of particulate matter.

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MANAGER ALVARADO: The respiratory effects of air pollution, especially for asthmatics, are well recognized public health problem. While PM and traffic exposure can cause respiratory symptoms, ozone is the more potent respiratory toxicant. Ozone air pollution effects on the lungs include asthma exacerbation, increased asthma and medication usage, and hospitalization and emergency department visits for asthma symptoms and other chronic lung diseases.

--o0o--

MANAGER ALVARADO: Perhaps the most significant health outcome associated with air pollution is increasing the frequency and severity of asthma symptoms. Statewide, about ten percent of children are asthmatic and about eight percent of adults are asthmatic. This translates to
nearly three million Californians, including one million children.

There is strong evidence that ozone can lead to asthma attacks. This is supported by correlations between ozone exposure and emergency department visits, increased symptoms, and medication use.

Traffic is also a contributor to asthma attacks. Studies show that children with asthma living near busy roads experience more respiratory symptoms than those living further away from roadways.

--00o--

MANAGER ALVARADO: There is another group of air pollutants called toxic air contaminants, or TACs, which are linked to increased cancer risk. Evidence from epidemiological studies and animal exposure studies show that long-term exposure to these air pollutants increases the risk of cancer.

California state law requires ARB to identify and regulate TACs. To ensure the best available science underpins the identification of TACs, the technical assessment for TAC listings undergoes independent peer review by the Scientific Review Panel.

Over the past 30 years, California has prioritized and controlled the most significant TACs. The success of the program is evidenced in dramatically
reduced levels of TACs, like benzene and butadiene and
diesel PM. The goal is to reduce regional, neighborhood,
and hot spot risk.

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MANAGER ALVARADO: Next I'll talk about
vulnerable populations.

--o0o--

MANAGER ALVARADO: The scientific literature
makes it clear that some individuals or subsections of the
population are more vulnerable to air pollution than
others. This can be due to either greater susceptibility
because of age or health status or greater exposure
leading to larger effects.

--o0o--

MANAGER ALVARADO: The scientific literature has
identified several groups that are vulnerable to air
pollution, including children, the elderly, people with
chronic health conditions, and low socioeconomic status.

Children's vulnerability comes particularly from
their greater exposure related to more outdoor activity
and a greater breathing rate.

As a group, the elderly are at risk due to the
greater prevalence of chronic disease. People with
chronic diseases of the heart or lungs, diabetics and the
obese experience larger effects with exposure to air
pollution than people without chronic health conditions.

--o0o--

MANAGER ALVARADO: Socioeconomic status can also affect vulnerability to air pollution. Studies suggest that factors associated with low socioeconomic status, like educational attainment, increase the risk of experiencing adverse air-pollution-related health effects.

Studies also show greater levels of pollution and greater number of pollution sources in poor and minority communities.

Lastly, socioeconomic factors, such as poverty, food and security, and access to health care may also contribute to stress that could influence responses to air pollution.

--o0o--

MANAGER ALVARADO: Next I'll talk about toxic air contaminants.

--o0o--

MANAGER ALVARADO: ARB has been identifying toxic air contaminants and developing measures to control their levels in the air for decades. There are currently 191 chemicals on the TAC list. Of this group, diesel PM poses the greatest statewide cancer risk. To address this issue, the Board adopted the Diesel Risk Reduction Plan in 2000. The plan called for a series of regulations to meet
the goal of reducing the cancer risk from diesel PM by 85 percent by the year 2020.

Several other TACs, most importantly benzene and 1,3 butadiene also come from mobile source. Mobile source TACs influence exposures to communities near roadways. And ARB monitors have recorded a 90 percent reduction statewide in these pollutants since 1990.

We also have developed regulations in cooperation with the districts to reduce the ambient levels of other key TACs that come from stationary sources, including chromium from chrome platers and chlorinated solvents widely used in industrial applications. These pollutants have also gone down by 90 percent statewide since 1990.

--o0o--

MANAGER ALVARADO: That was statewide. Pollution levels are lower locally, too.

Over the past decade, ARB prepared a number of risk assessments focused on health risk from diesel emissions. These assessments help to prioritize our diesel rulemaking to achieve the fastest possible risk reduction in neighborhoods near these sources.

One example is a comprehensive set of regulations adopted to reduce emissions from goods movement activities. These include rules on ships, harbor craft, cargo handling equipment, and truck activities at ports.
These actions have reduced the cancer risk for communities near ports and freeways. Monitors at the port of L.A. and Long Beach have shown a 50 percent reduction in diesel PM levels.

--o0o--

MANAGER ALVARADO: Ambient air quality standards represent public health goals set by U.S. EPA to limit exposure to particulate matter and ozone. California also sets air quality standards, and the national standards have become increasingly more similar to the California standards. There are a number of air quality standards, but PM and ozone standards are the remaining challenge for California.

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MANAGER ALVARADO: The Clean Air Act requires U.S. EPA to set national ambient air quality standards or NAAQS. These standards are based on the latest and best research published in the peer reviewed literature. There are six pollutants with national standards, and each standard is specific to each pollutant. They are solely based on the protection of human health and the environment. These standards are re-assessed at five-year intervals so that they reflect most recent health science. The assessments undergo scientific peer review by the Clean Air Scientific Advisory Committee, or CASAC, which
is charged with providing advise and recommendations to U.S. EPA on a national standards. The members of CASAC are nationally and internationally recognized experts on air quality and health.

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MANAGER ALVARADO: The level of the standard is designed to protect public health, including sensitive sub-populations from both long- and short-term exposure to air pollutants.

The standards are mandatory public health goals that must be met by specific deadlines. States must develop air quality plans to demonstrate how each non-attainment region will meet and maintain air quality standards.

Clearly, the federal Clean Air Act has succeeded in providing cleaner more healthful air to the nation, especially California. The Board has a long history of working to attain the NAAQS, and California has attained multiple ozone and particulate matter standards in regions throughout the state. However, we still have a ways to go to attain the ozone standards in the South Coast and San Joaquin Valley.

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MANAGER ALVARADO: Research aimed at improving our understanding of the health effects of air pollution
is ongoing worldwide. Several current topics of particular interest include understanding whether and how exposure to the complex mixture of ambient air differs from that of exposure to single pollutants. Characterizing exposures in close proximity to emission sources, such as roadways and industrial facilities, and investigating the factors that increase vulnerability, both on an individual and a community basis.

A new area of study is a roll of genetics. Recent research has shown that genetic makeup of an individual can make one more susceptible to the adverse effects of air pollution. And exposure to air pollutants can modify genes in a way that put people at greater risk of developing illness, such as asthma.

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MANAGER ALVARADO: To summarize, air pollution exposure can impact health in a number of ways. These impacts include premature death, worsening of heart disease leading to heart attack or strokes, asthma attacks, and increased risk of cancer. California's air has been improving steadily as ARB has worked to meet the national standards. This improvement in air quality provides public health benefits by reducing exposure to the pollutants we have discussed this morning. And standards are becoming increasingly
stringent as the science shows health effects at lower levels of pollution. Meeting these new standards and reducing the health risks from toxic air contaminants will require ongoing efforts to achieve new emissions reductions.

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MANAGER ALVARADO: ARB's health effects research has contributed to the scientific basis for the development of national and state ambient air quality standards.

The program also investigates emerging toxicological issues as they relate to public health and quantifies the health benefits of ARB regulations. The good news is that air quality in California has steadily improved since the inception of ARB as we have acted to achieve our goal of ensuring clean air in all of California's communities.

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MANAGER ALVARADO: That's the end of my presentation. I'm happy to take any questions. Thank you.

CHAIRPERSON NICHOLS: Thank you very much. I know we have a large number of people here who are anxious to get to the next item, but I want to take a couple of minutes before we move on, first of all, to say
your report covers a huge number of issues and many, many years of work.

But just to highlight one of the points or perhaps two of the points that you've made, as we heard last month as well, overall, the numbers of people who are being exposed to very high levels of air pollution have been reduced substantially over the years as a result of work by local air districts and this Board.

But I think we're also seeing increasingly that we need to focus more on somewhat more localized pockets of exposure where we have communities that are experiencing much higher levels of pollution than others, sometimes just due to being where they're located and where multiple exposures to the same kind of pollutants but from different pathways are also a problem.

You didn't mention -- and it probably came too late to be incorporated into your report -- but I thought that the draft document that was put out yesterday by our sister agency OEHHA is a really useful tool for people who want to look ahead to where we might be focusing our efforts in the future because it very clearly pinpoints by Census tract now the locations of some of the most vulnerable populations who are also experiencing the worst overall exposures to pollution, not just air pollution, but I would say probably drinking water in many instances
is even more important as a topic.

But I also would like to turn to Board members who may want to add something. And I particularly want to call on my college, Dr. Balmes, at the far end there since he is a public health physician and researcher.

BOARD MEMBER BALMES: Well, as usual, Chair Nichols, you pinpointed I think a really important issue with regard to air quality. The research over the last decade or so has really pointed toward traffic emissions as being an area where we have to do more.

The trouble with the Clean Air Act, which California has done a very good job at meeting the requirements of, despite having some of the worst pollution in the country, we've probably done the most and I'm proud of that. But the problem with the Clean Air Act is it calls for regulation of one pollutant at a time. So there is the national ambient air quality standard for ozone. There is one for particulate matter. There's one for sulfur oxides. One for nitrogen dioxide.

And really people who are exposed to air pollution as a mixture always. And a major source, as you all know, of the air pollution mix is from traffic. And so we have to do more than what the Clean Air Act really allows us to do to control traffic emissions. That's why we're here today. And I'm very proud of the fact that
California is ahead of the rest of the country with regard to dealing with traffic emissions as a public health issue.

CHAIRPERSON NICHOLS: Thank you.

Supervisor Gioia.

BOARD MEMBER GIOIA: First, thanks for the report. I think it's always good to every now and then summarize what we all sort of know, but in a transparent say. And clearly, the conclusion is while the conclusion is all air pollution is bad for your health, there's clearly some types of air pollution that are worse and are more impactful.

And as Chair Nichols pointed, I do think that the OEHHA map helps draw attention to this issue. And what I wanted to add, I think it would be useful here is for us to -- now that the maps are out, is to have at a future meeting the sort of presentation about the maps and the different strategies that we are pursuing that address issues in those identified highly impacted areas. Because I think it gives us a chance to sort of do an overview of what we're currently working on and where there may be a need for greater effort.

So at least -- I think we'll find there are a lot of things that the Air Board is working on that address these highly impacted areas. But we get to confirm that
or get to see where there are gaps.

    So I'd like to see us have a pretty good
presentation on the maps and the different work we're
doing and how it aligns to that and some of the proposals
under are consideration here to address that as well.

    CHAIRPERSON NICHOLS: Thank you. Good
suggestion.

    Mr. Corey, do you want to respond?

    EXECUTIVE OFFICER COREY: We will plan to do
that.

    CHAIRPERSON NICHOLS: Thank you.

    Yes, Dr. Sperling.

    BOARD MEMBER SPERLING: I have a question. I
just came back from China. And some of us are advising
China on what to do about their air pollution problems.
And it occurred to me that maybe -- I think we have a
different historical trajectory on the problem. My
understanding is that ozone historically was something
that we focused more on. Now we've come to appreciate the
PM problem as well as being equally if not more important.

    It seems like in many of the emerging countries
like China and India, the PM problem is far worse relative
to ozone. And because of the coal, because they have a
much larger proportion of these older trucks out there.
Is that true? That the nature of the challenge that they
are facing is different than at least in a proportional way to what we've gone through here in California in terms of the focus on -- there, they have PM that is, like, way off the chart. It's like scary high.

CHAIRPERSON NICHOLS: I'm going to ask Lynn Terry to comment on this, although I think all of us have been involved to some degree in our emerging discussions with China and India.

DEPUTY EXECUTIVE OFFICER TERRY: Well, you're right, from a historical standpoint, we had ozone standards well before we had national standards for fine particulate and PM2.5, which were first adopted by EPA in 1997. That was the recognition of the dramatic health effects of fine particle pollution.

It is true. And there was in the presentation a comment that about 90 percent of the known air pollution risk is from PM and ozone. Of that 90 percent, by far and away, the identified health impacts are from fine particulate in California. And so clearly from an international perspective, there is a lot of work out there showing that that is the most well known air pollution health problem internationally. So you're right.

BOARD MEMBER SPERLING: So in California and the US, we just never figured it out? Is that how serious PM
was until later?

DEPUTY EXECUTIVE OFFICER TERRY: Yeah. It was really not until 1997 adoption of the national standard for fine particulate. We did have PM10 standards. Fine particulate was a landmark standard-setting process. Of course, our Chair was there to do it.

CHAIRPERSON NICHOLS: I was there.

BOARD MEMBER SHERRIFFS: Just highlighting your comment coming from the Central Valley, Clean Air Act has been immensely successful for the country, has been immensely successful for California.

But as we succeed, we drill down and we see these pockets that are especially challenged. And we also learn more about the specific health effects. We're learning now not all PM2.5 are the same. And the speciation of 2.5 becomes important.

So this is really the next order of challenge for us is how to adapt to that better knowledge that, in fact, requires less of if you will shotgun approach that worked very well for getting first order and helping the most people. But then trying to be more laser like in terms of addressing the particular areas and even the particular pollutants that cause the greatest trouble, getting the most bang for our buck causing the least disruption.

CHAIRPERSON NICHOLS: Okay. Thank you
BOARD MEMBER BALMES: May I add one more comment? It was sparked by Professor Sperling's comments about China and India and the particulate pollution problem. It's important to remember that dealing with that particulate problem related to coal burning in particular also helps deal with climate change. So again that's something that I'm very proud of what this Board has been doing. We are tying our climate change mitigation efforts to our air quality efforts, which very few other jurisdictions are. And they both have health impacts, climate change and the particulate pollution. And if we can get a bigger bang for the buck in terms of regulatory policies if we're always thinking of the two together.

CHAIRPERSON NICHOLS: Well, that's a very good segue to the next item. We'll wrap up this one. Thank you for the report.

While we're changing personal at the front table here, I'll lay the groundwork for what we're about to do. As we launch into our proposed amendments to the truck and budget regulation, I think it's useful to keep the last discussion in mind, because we're doing a very difficult balancing. We are a regulatory agency as well as a public health agency. And our decisions obviously have very broad impact. We have to also try to regulate in ways that are as cost effective as possible and to constantly
be assessing the results of our work.

The truck and bus regulation was originally approved by this Board in December 2008. So not all of you were here at that time. But more of you were here in 2010 when we amended it and took some actions in light of the deep recession that we were experiencing here in California to provide some economic relief to the fleets that were effected most by the recession. And it is a critical part of our plan to protect public health and to meet California's air quality goals. So this regulation has quite an active history here in recent years.

Since 2010, the regulation has resulted in major reductions of diesel particulate matter emissions that are reducing localized health risks across communities throughout the state, as well as the impact of black carbon that contributes to global climate change. It's also providing important reductions in oxides of nitrogen and other criteria pollutants that are critical to further reduce health risks associated with exposure to ambient particulate matter as well as to achieving attainment of the ambient air quality standards that we were just talking about.

The staff has been working hard over these last years to implement the regulation and to assist fleets with compliance, as well as to make substantial incentive
funding available to fleets. During the update at the Board's October 2013 meeting, we heard a number of concerns raised by fleets regarding these regulations, including some who were experiencing difficulty coming into compliance. These concerns ranged from the ability of truck owners to comply, a lack of available incentive funding, as well as the effectiveness and reliability of the diesel particulate filters that were available.

At that hearing, the staff indicated that they were going to return to the Board with proposed amendments that would better ensure the emissions benefits of the regulation by providing lower cost compliance options and greater compliance flexibility to truck owners. In developing these proposed amendments, the staff sought to assure that the amended regulation would still provide the emissions reductions that are necessary to meet our air quality and diesel risk reduction goals. So they've attempted to strike a balance between getting the reductions that we need from these vehicles, this category of vehicles, and making the compliance more comfortable, if you will, more affordable, than it otherwise would have been.

So we're going to be hearing from many people about whether we got that right. And first, we'll start with the staff's presentation while they lay out what
their proposal actually is.

Do you want to start, Mr. Corey?

EXECUTIVE OFFICER COREY: Yes, thank you, Chairman Nichols.

As noted, at the Board's October 2013 meeting, staff provided an update on the implementation of the truck and bus regulation. Staff summarized stakeholder concerns about the ability of some fleets to make needed upgrades to comply. The concerns, as noted, and focused on small fleets, low mileage fleets, fleets in rural areas, which have been continued to be impacted by the recession.

At the hearing, staff committed to return this month with proposed amendments that would provide additional flexibility and new incentive funding opportunities to fleets, while better ensuring the emission benefits of the regulation.

So today, we're proposing amendments to the truck and budget regulation that are intended to meet those commitments.

In developing the proposed amendments, staff held five public workshops across the state and met with representatives from various companies, industry associations, and environmental organizations to discuss issues and concerns.
In addition to the proposed amendments, staff will report on its efforts to evaluate the concerns regarding the diesel particulate filters.

Also, during the 45-day comment period, ARB received numerous comment letters. Some of those comments raised environmental issues related to the proposed amendments which staff responded to in writing in Attachment B, which staff proposes the Board approve as part of the resolution in accordance with ARB CEQA certified the program.

With that, I'd like to introduction Beth White of the Mobile Source Control Division, who will give the staff presentation. Beth.

(Thereupon an overhead presentation was presented as follows.)

MANAGER WHITE: Good morning, Chairman Nichols and members of the Board.

Today, I'll be presenting proposed amendments to the truck and bus regulation for your consideration. The proposed amendments would provide fleet owners more flexibility to comply with the regulation, while better preserving the emissions benefits that are achieved by the regulation.

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MANAGER WHITE: I will begin my presentation by
providing an overview of the existing regulation and a
description of the proposed amendments. I will then
discuss the impacts and staff's plans for implementation.
We will also discuss staff's investigation of stakeholder
concerns with diesel particulate matter, or PM, filters
and conclude with staff's recommendations.

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MANAGER WHITE: Trucks are a major source of both
diesel PM and oxides of nitrogen, or NOx, emissions and
reductions from trucks are critical to meet both state
and federal air quality standards. Diesel PM from trucks
and buses is the dominant contributor to PM exposure along
roadways and in environmental justice areas throughout the
state.

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MANAGER WHITE: The regulation was originally
adopted in 2008 and amended in 2010 to address the impacts
of the statewide recession. The regulation is critical to
meeting California's air quality goals and provides the
reductions necessary to meet our SIP commitments and
protect public health.

The proposed amendments are intended to ensure
that by 2020 nearly every truck operating in California
will have a PM filter, thereby achieving an 85 percent
reduction in diesel PM consistent with the goals of the
Diesel Risk Reduction Plan. The proposed amendments ensure these substantial benefits will continue to be achieved.

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MANAGER WHITE: The regulation requires upgrades to 2010 engines starting in 2015. Lighter trucks, which are those weighing between 14,000 and 26,000 pounds do not have a PM filter requirement. Heavier trucks, over 26,000 pounds, had to meet the PM filter requirements beginning in 2012. Nearly all trucks must have 2010 or newer engines by 2023.

All owners could use the phase-in option to meet annual PM filter requirements from 2012 to 2016. This option allows fleet owners to decide which heavier vehicles to install PM filters on and defers all truck replacements until January 1, 2020 or later.

The phase-in option requirements also consider credits for early action, downsizing, or adding advanced technology vehicles. The regulation provides additional flexibility to small fleets, deferring the initial PM filter requirements for heavy trucks by several years. To take advantage of any flexibility options in the regulation, fleets must report annually.

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MANAGER WHITE: The regulation provides
additional flexibility options based on the type or use of the truck. These options defer compliance requirements and reduce compliance costs for speciality vehicles, lower use vehicles, or vehicles operated solely in cleaner areas. Key requirements are listed on this slide. Staff's proposal would modify some of these provisions.

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MANAGER WHITE: Overall, the regulation affects more than one million trucks that operate in California. There are about 170,000 light trucks registered in the state, and some will need to comply beginning in 2015. Heavier trucks began meeting compliance requirements January 1, 2012. There are 230,000 heavy trucks registered in California and about 620,000 heavy trucks registered in other states. Many out-of-state fleets that report operation in California report only a small fraction of total miles in California. This indicates that only a few of their trucks actually travel here in any given year.

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MANAGER WHITE: Last October, we provided an update to the Board on implementation of the regulation. At that hearing, staff indicated that they intended to recognize good faith efforts and planned to propose to the Board additional regulatory flexibility to address
stakeholder concerns. Immediately after that hearing, we issued a regulatory advisory regarding good faith compliance efforts, conducted an extensive public process to understand stakeholder concerns, and developed proposed amendments to address those concerns.

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MANAGER WHITE: The regulatory advisory provided additional time for owners to complete good faith compliance efforts by July 1, 2014, and allowed fleets to take advantage of some of the new planned flexibility options for low use and NOx-exempt areas consistent with staff's amendments. To take advantage, fleets had to report.

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MANAGER WHITE: In developing the proposed amendments, staff conducted an extensive public outreach process to understand stakeholder's concerns, including five workshops across the state, four additional town hall meetings in northern California, and many meetings with affected stakeholders.

During this period, we also focused intensively on compliance outreach and assistance. In the call center alone, we handled on average over 400 calls per day between November 2013 and March 2014.

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MANAGER WHITE: Throughout the public process, stakeholders communicated concerns in several areas. Stakeholders expressed that many fleets, especially those in rural areas, remain impacted by the lingering effect of the recent recession and do not have the necessary resources to comply as a result.

Many stakeholders expressed concerns about the lack of accessibility to incentive funding or about the durability and performance of diesel PM filters. Some expressed concerns that potential amendments could be unfair to compliant fleets, while others stated that the amendments were necessary to provide fleets the flexibility to achieve compliance. These concerns were key considerations in developing the amendments we are proposing today.

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MANAGER WHITE: The proposed amendments are designed to better protect the emissions benefits of the regulation while providing lower-cost compliance options and new opportunities for fleet owners to access public incentive funds. The proposed amendments also recognize fleet owners that have made investments to comply with regulatory requirements.

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MANAGER WHITE: The changes we are proposing are
focused in five areas. In general, these amendments extend requirements for small fleets, lower use vehicles, and fleets operating exclusively in rural areas with cleaner air. The amendments offer a new pathway for fleet owners that cannot afford to comply and recognize the efforts of fleet owners that already complied or complied early.

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MANAGER WHITE: Staff is proposing changes to the compliance options for vehicles that operate in NOx-exempt areas as shown in the map on the slide. The first change is to expand the definition of NOx-exempt area by adding the counties shown in light green to the current NOx-exempt areas shown in dark green. This change extends the time for small and large fleets to meet PM filter requirements and applies to all trucks that operate exclusively in these areas. Trucks using this option do not need to meet any replacement requirements.

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MANAGER WHITE: Staff is also proposing additional time for small fleets operating in other parts of California. The center column in the table shows the existing small fleet compliance schedule and the column on the right shows staff's proposed amendment. Our proposed initially extended the second truck requirement to January
1, 2016. Today, we are proposing to extend that date to January 1, 2017, to better provide incentive funding opportunities to small fleets. If approved, this modification would need to be made available for a 15-day public comment period.

By providing this relief to the second and third truck in small fleets, small fleet owners would be able to upgrade with lower cost used trucks and could be eligible for additional incentive funding.

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MANAGER WHITE: The proposed additional change to the small fleet option would delay the compliance date on the second truck in small fleets by one year, from 2016 to 2017. Staff does not believe this change is significant and expects the emissions impact of this proposed change could be partially offset by the newly created incentive funding opportunities.

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MANAGER WHITE: Staff is proposing a new option for owners that cannot obtain financing to comply. Fleets would be eligible if they were denied a loan to meet the PM filter requirements before the end of this year. The proposed amendments would apply to up to three vehicles in the fleet that have been owned since January 1, 2012. Fleets using this option would be required to upgrade to
2010 model year engines by 2018, and they must opt in by January 31, 2015. As shown here on the next slide, staff is also proposing additional changes for this new option to improve enforceability.

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MANAGER WHITE: Many stakeholder have expressed concerns about the potential for fraud with this amendment. The additional changes we are planning will require additional reporting by the fleet owner that documents information about the vehicle to be replaced, the vehicle to be purchased, the loan terms, and other relevant financial information.

The applicant will be responsible for completing and signing a form with the necessary information under penalty of perjury and would be required to submit a copy of the loan denial letter from a lender with the application.

The lender would also be required to sign the form, indicating that the information on the form is consistent with their review of the loan application. To ensure all fleets claiming this provision meet the same level of rigor, staff is also proposing that fleets claiming the good faith extension would need to reapply for a new loan and report under the planned requirements.

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MANAGER WHITE: Staff is proposing to expand the low mileage construction truck option to include a wider range of trucks. This option would now apply to all trucks driving less than 20,000 miles per year, except non-construction trucks that regularly pull a trailer and would extend PM requirements by several years as shown on the table. Tow trucks, box trucks, service trucks and other types of work trucks would be newly eligible for this provision.

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MANAGER WHITE: Staff is proposing a more flexible phase out of the agricultural vehicle extension by reducing the annual mileage requirements over time. This amendment allows fleets to operate longer by reducing the use of their truck after 2017.

Staff is also proposing to add cattle livestock trucks to the speciality agricultural truck definition. This proposed change would recognize that while livestock haulers typically operate more miles than are permitted under the agricultural vehicle extension, they are being significantly impacted by current market conditions and that the mileage from these trucks in California is likely to be significantly depressed for several years.

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MANAGER WHITE: Staff is proposing to amend the
existing low use vehicle definition to include vehicles that operate fewer than 5,000 miles total per year. This proposed changes would sunset in January 2020. The existing extension for trucks that travel more than 5,000 miles per year, but less than 1,000 miles per year in California would remain, with staff proposing to remove the existing 100 hour stationary operations limit.

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MANAGER WHITE: Several amendments are focused on spreading compliance requirements over a longer period of time so fleets can better manage upgrading their trucks.

First, staff is proposing to limit 2010 engine fleet turn-over requirements to 25 percent of the total number of trucks in a fleet in any given year, which will assist fleets that have a high percentage of older trucks that would otherwise all need to be replaced in a given year.

We are also proposing a new option for heavy cranes. The proposed schedule would require heavy cranes to be upgraded to 2010 model year or newer engines at a rate of ten percent per year starting January 1, 2018. This option recognizes the high cost of replacing heavy cranes and the added complexity such fleets face in retrofitting existing cranes and meeting crane safety certification requirements.
MANAGER WHITE: Because many fleets have already invested in cleaner, compliant equipment and trucks, staff is proposing amendments that recognize actions already taken by the fleets to comply with the existing regulation. The existing regulation credits fleets that purchased retrofit PM filters, upgraded vehicles, or purchased alternatively fueled vehicles to provide early emissions reductions. Staff is proposing to extend the use of such existing credits two or more years. Credits for early installation of PM filters, fleet downsizing, and adding alternative fuel vehicles to the fleet would be available to use until 2018. Credits for adding advanced technology vehicles would be available to use until 2020.

Staff is also proposing to extend the use of trucks having PM filters that were installed before January 1, 2014, until 2023 and to allow the use of vehicles with the recalled retrofit PM filter for up to five years from date of the recall.

MANAGER WHITE: The proposed amendments reduce costs while better ensuring the benefits of the regulation. Compliance costs will be reduced for many fleet owners, and staff estimates the total cost of the regulation will be reduced by about $400 million, a 20
percent reduction.

At the same time, the amendments ensure the air quality benefits of the regulation will continue to be achieved, as the amendments achieve 93 percent of the cumulative emissions reduction expected through 2023. On the next two slides, I'll show you how these emissions change over time.

Because the impact of the amendments on the emission benefits of the regulation is relatively small, we do not project any significant change in the number of premature deaths avoided or overall health risk reductions.

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MANAGER WHITE: This graph shows how the proposed amendments meet PM emissions goals. The graph compares the statewide PM emissions trends without the regulation, business as usual, as shown with the blue line with the current regulation shown as the red line and with the proposed amendments and additional changes shown as the green line.

Although there is a short-term loss of PM reductions between 2015 and 2019, the proposed amendments would ensure that by 2020 nearly every truck operating in California will have a PM filter consistent with the goals of the Diesel Risk Reduction Plan.
MANAGER WHITE: This graph shows how the proposed amendments meet NOx emission goals. The graph compares the statewide NOx emissions trends without the regulation, business as usual, shown as the blue line with the current regulation shown as the red line and with the proposed amendments and additional changes shown as the green line.

Although there is a short-term loss of NOx reductions between 2015 and 2018, the proposed amendments ensure that by 2018 the regulation achieves the emissions levels that are expected.

MANAGER WHITE: With the proposed amendments, the regulation will continue to provide the emissions regulations necessary to meet our federally enforceable SIP commitments. The amended regulation would continue to provide maximum feasible emissions reductions toward ozone attainment in 2023 and does not affect reasonable further progress milestones.

The regulation will help continue to ensure that the ambient fine particulate matter, or PM2.5 standard, is attained in the South Coast and will provide ongoing reductions to meet the PM2.5 attainment challenge in the San Joaquin Valley.
MANAGER WHITE: The proposed regulatory changes are expected to provide some additional funding opportunities for eligible fleet owners. And in particular, small fleets and fleets using the flexibility provisions by allowing more time for applicants to apply for funding before the amended compliance dates.

While demand for incentive funding will continue to be substantial, significant funding is expected to be available, including between 100 and $200 million in Prop. 1B funding, as well as funds from local programs like Carl Moyer. Implementing these amendments and incentive funding programs will require changes to program guidelines. Staff intends to present to the Board updated Carl Moyer guidelines by July and will update the Prop. 1B guidelines prior to the next round of funding.

Compliance assistance is a critical component of implementing such a complex regulation that affects such a wide variety of stakeholders and remains a high priority for staff.

To ensure fleets have the resources they need, we will continue providing compliance assistance through our call center and training efforts. ARB staff will also release a new advisory on the approved amendments after the hearing and before they become effective so fleets clearly understand the approved changes.
Staff will also update all compliance tools, training courses, and other materials to reflect the most current information.

Finally, staff will continue to closely coordinate outreach and enforcement activities to better help non-compliant fleets become compliant.

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MANAGER WHITE: The success of the regulation will hinge on enforcement and achieving compliance will be an ongoing challenge. Using a combination of vehicle registration data, compliance reporting information, and enforcement statistics, we believe about 80 percent of trucks that operate in California are currently compliant with the regulation.

We believe we need to continue to work to improve this level. With expanded analysis of vehicle registration and reported compliance data, we are able to identify most trucks that are operating in California. With this information, we have a much improved ability to conduct smarter enforcement and to target enforcement efforts at potentially non-compliant fleets.

At the same time, we intend to continue existing enforcement efforts to assure a level playing field for all operators in California. For fleets that disregard our enforcement efforts, we intend to work with the
Department of Motor Vehicles and California Highway Patrol

to take additional actions which can include registration
blocks and vehicle impoundments.

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MANAGER WHITE: During the October 2013 hearing,
and in subsequent workshops and town hall meetings in late
2013 and early 2014, staff heard numerous concerns
expressed by stakeholders about the diesel PM filters.
These concerns generally focused on filter performance,
durability, and vehicle down time. Some stakeholders
questioned why a filter was even necessary.

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MANAGER WHITE: In response to stakeholder
concerns, staff initiated a technology investigation by
reviewing available warranty and testing data and
interviewing fleet owners, truck drivers, retrofit
installers, and truck dealers about their PM filter
experiences.

Next, I will describe some preliminary findings
from this work.

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MANAGER WHITE: While our investigation is still
ongoing, we do have several preliminary findings we can
highlight today.

First, data from the field study and fleet
interviews indicate most operators are not having a problem with their truck or filter. Although we did find a few cases where retrofits were not installed properly, this was largely not a filter performance issue. Because we have an existing process for resolving installation issues, we are assisting these fleets and following up with their cases.

While the same data show some truck owners are experiencing vehicle problems, in these cases, we generally found the filter was working as designed, but the engines had experienced a component malfunction. Some engine component malfunctions can generate excess PM emissions that impact PM filter performance, whether retrofit or originally installed. We believe this is why truck owners attribute their truck performance problems to the filter.

Based on engine warranty data, the incidents of such engine component issues is similar to what we have seen even before the introduction of PM filters on new engines. Because vehicles experiencing engine problems can result in operator down time, we believe that proactive steps can be taken and that many of these issues can be addressed with the cooperation of stakeholders.

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MANAGER WHITE: One way to address these issues
is to focus on preventative maintenance.

First staff will work with stakeholders to identify the most cost effective preventative maintenance procedures to help diagnosis engine issue as early as possible. Looking for oil in fuel, metals in oil, or high engine out PM opacity are three examples of relatively inexpensive tests that may be used to help diagnose and repair problems before they occur.

Staff will then incorporate these best practices into training programs and work with stakeholders including truck dealers, retrofit installers, and others, through our compliance outreach and assistance process to help ensure fleets understand that operational benefits these procedures could provide. Staff will also continue to work with fleets and retrofit installers as we have in the past to help resolve these problems.

Second, staff will evaluate potential improvements to programs that could help resolve these issues over the longer term. For example, certification and in-use compliance programs could potentially be strengthened, although in some cases, statutory changes or changes at a national level may be required.

Inspection and maintenance programs can be an effective way to both help ensure fleets are conducting preventative maintenance and emissions controls are
functioning properly.

Staff believes that inspection and maintenance program improvements, if considered, should be developed cooperatively with industry. Staff is proposing to continue the investigation and prepare a report of its findings and recommendations this fall.

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MANAGER WHITE: In summary, the proposed amendments protect public health and continue to meet SIP obligations. We conducted an extensive public process to understand stakeholder concerns and have developed amendments that appropriately balance the concerns of both compliant and future compliant fleets. We believe these changes are appropriate, focusing additional flexibility, and providing incentive funding opportunities for those fleets that need it, while minimizing impacts to compliant fleets.

--o0o--

MANAGER WHITE: In closing, we recommend that the Board adopt the staff proposal with the planned additional changes. Moving forward, we expect to implement the regulation with a focus on comprehensive compliance assistance and enforcement to ensure a level playing field for all stakeholders.

CHAIRPERSON NICHOLS: Thank you.
I think in light of the number of people that want to speak on this issue, if the Board is willing, we should go straight to the audience. And then at the end, we can have comments and discussion from the Board. If there are any questions that come up during the course of the testimony, we may interrupt people and ask our questions. But we'll try to get through this so we can hear from everyone.

There is a list that is somewhat faint up on the Board there, but hopefully your eyes are better than mine so you can see for at least the first 19 people where you are in the lineup. And it's always easier if you're standing by ready to come up to the podium rather than waiting until your name is called. That will help us also get through this more efficiently.

So we will begin. The first three witnesses are all our Air Pollution Control Officers: Jack Broadbent, Henry Hogo, and Seyed Sadredin. So if you want to start with the air district folks and then we'll move on from there.

Good morning, Mr. Broadbent. I don't know how you drew the lucky straw here. Welcome.

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

Again, my name is Jack Broadbent, and I'm the
Executive Officer for the Bay Area Air Quality Management District. I'm here today to speak in support of the recommendations the amend the on-road truck and bus rule. I'd like to start off by thanking your staff, specifically Richard Corey, Cynthia Marvin, Erik White, and others. You have a great team here. And they have worked very closely and collaboratively with the air districts in the development of these rule changes.

As I'm sure all of you are aware, the Bay Area is homes to tens of thousands of medium- and heavy-duty trucks and they're a major source of air pollution in our region. In fact, the majority of our health risk in the Bay Area comes from the toxic diesel particulate emissions from these vehicles.

Because of this, since 2009, the air district has provided over $69 million in funding from federal, state, and local sources to over 2500 truck owners. Because of their significance, the Bay Air district is also continuing to prioritize funding for truck emission reduction opportunities. And, indeed, we just recently put $5 million of our local TFCA moneys for truck replacements.

While we're concerned about the amendments in the sense they provide a delay in terms of emission reductions between 2015 and 2020, we do believe that the associated
proposed changes make sense. They provide a lower cost
compliance option for small fleets with low mileage. They
also provide more opportunities for fleet owners to access
public incentive dollars.

In order to minimize the emissions impact of
these changes, however, we would strongly encourage your
staff to place continued emphasis on incentive programs as
well as on the outreach, as your staff mentioned.

We believe the outreach needs to be very targeted
to the trucking community and be given a high priority,
specifically given the fact that lighter trucks may not be
familiar with this regulations. They're going to need to
come into compliance in 2015.

Lastly, Madam Chair, I know you have a long set
of folks that want to speak today. I want to mention our
experience in implementing the drayage truck rule in west
Oakland that I know you're very familiar with. Our
experience is one in which while we are in support of
these changes, we would ask that the CARB send a very
strong message that these changes are, indeed, it. And
that there would not be further changes. And I say that
because I think the trucking community needs certainty,
certainty the regulated community needs certainty. And I
think also the air districts need certainty.

It was our experience in implementing the drayage
truck rule that frankly some truck owners waited until the very end and indeed expected CARB to change the rule.

So with that, Madam Chair, I will conclude my remarks. And thank you again. I want to thank your staff also.

CHAIRPERSON NICHOLS: Thank you. Thanks for your words of advise as well.

Mr. Hogo.

MR. HOGO: Good morning, Chairman Nichols, members of the Board. I'm Henry Hogo, Assistant Deputy Executive Officer at the South Coast Air Quality Management District.

First of all, I want to thank staff for their extensive work and outreach with stakeholders, including air districts, on this very important item. We do recognize the difficult balancing act that your Board has before it today. Meeting federal clean air standards by mandated deadlines in California requires achieving the assisting truck rule emissions reduction targets must more by no later than 2020, just six years from now. At the same time, we further recognize the need for some mid-course corrections to the truck regulations to provide additional opportunities for assistance to some truck owners, especially small businesses. We want to thank staff for proposing amendments and maintain the emission
reductions needed in 2020 time frame.

Finally, we hope that everyone involved in this rulemaking understands that trucks are the largest NOx emissions sources in the South Coast, San Joaquin, and many other areas. And NOx emissions must be reduced by about two-thirds beyond all assisting regulations from all mobile sources and stationary sources by the 2023 time frame in the ozone non-attainment areas.

We are committed to work with your staff, affected businesses, and other stakeholders on implementation of the truck rule as amended today and to achieve federal clean air standards throughout California by mandated deadlines to protect public health. I thank you for the opportunity to provide comments today. We'll be happy to answer any questions.

CHAIRPERSON NICHOLS: Thank you very much. I would also point out that your district and some of the others have provided funding to assist in this effort as well. So you're putting your money on the line as well. It's much appreciated.

Mr. Sadredin.

MR. SADREDIN: Good morning, Madam Chair and members of the Board. It's a pleasure to be before you. Just quickly, I wanted to mention that Supervisor Case-McNeery, I've been talking to her. She's about to
arrive here at any minute. She's on Amtrak.

CHAIRPERSON NICHOLS: I was looking for her. I would have called her ahead of the others because she's an elected official.

MR. SADREDIN: Hopefully when she gets here you can give her the time she needs.

But I want to thank you and your staff for the good work that you've done with respect to this matter and working closely with the air districts and other stakeholders.

I'm here today on behalf of my entire Board to support the staff recommendation, including the 15-day changes they have proposed, which we think are key to making this proposal work. We appreciate and recognize the very difficult balancing act that you face today with respect the air quality and also some of the economic impacts of this rule.

At the end of the day, we don't want to put small fleets owner/operators out of business and harm their customers that they provide a good service to. But trucks are the largest source of air pollution, largest source of NOx in San Joaquin Valley.

I want to take you back to your earlier discussion about the health impact. Without significant reduction in truck emissions, there is no way that San
Joaquin Valley can meet the PM standards or the ozone standards. The OEHHA report that you mentioned, 22 of the 30 top Census tracts are in San Joaquin Valley.

And that brings me to a point of one ask then I have of your Board today, not in terms of the change in the rule but hopefully in the resolution to provide certainty with respect to Prop. 1B funding. I've spoken to your staff. They are open to make the Prop. 1B funding the remainder of it -- to allocate that at the discretion of the air district to be spent on trucks. But they're leaving the door slightly open to other options should other budgetary constraints play a role in this.

We need certainty. There is no way that we can make the shortfalls that these changes may bring about disappear without a significant incentive funding. The air district is willing to put a lot of our own money into this, as we already have.

But I'd like you to add a statement in your adoption of Resolution that provides the discretion to the air districts in terms of the remaining Prop. 1B funding to spend it on trucks if that is a significant source for them, which in San Joaquin Valley as I said, this is the largest source of NOx emissions. So hopefully we can get some certainty with respect to that.

Other than that, I want to thank you for your
good work on this. And thank you Rich, Erik, and Cynthia, for working with us closely.

CHAIRPERSON NICHOLS: Thank you. We'll call Supervisor Case when she arrives.

Mr. Brazil.

MR. BRAZIL: Good morning, Madam Chair, members of the Board.

I'm Dennis Brazil, the mayor of the city of Gustine. I'm also a Governing Board member on the San Joaquin Valley Air District. And I'm here in support today of the changes that you're amending for this rule for the trucking industry.

I think one thing to remember that is this trucking industry, this is good survival. So if this trucking industry stumbles or fails, especially in the economy that we're in, there is going to be a lot of people out of work, a lot of people out of business, which is going to effect our economy from one end of our state to another. Supporting them and helping them is key.

I think you will not have any argument with anybody in this audience today that they want to improve health -- I mean air quality for everyone. By doing that, they are going to succeed in what they are doing, but they need help.

I can speak from experience. We own a small
trucking company for over 50 years. And it's a very hard balancing act to survive in today's economy. While our economy has improved, we are surely not out of the woods. And the trucking industry is surely in trouble. So listen to the testimony today. I encourage you to make recommendation changes that will improve and help this trucking industry. You guys have done a great job about listening to all the other amendments and changes that have came about. It's a very hard decision. But they're asking for your help. They need your support along with all the other trucking industries and companies in California. Thank you very much for all your hard work. Thank you for letting me speak today. Have a great day.

CHAIRPERSON NICHOLS: Thank you for making the trip.

Mr. Abbs.

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

My name is Allen Abbs. I'm the Air Pollution Control Officer for the Tehama County Air Pollution Control District.

I'd like to echo the comments from my fellow APCOs about the hard work that staff has put into looking at options for amendments to this regulation. Also that staff was willing to come up to the north state on several
occasions and do workshops and also provide training even
in Red Bluff for a day on how to comply with the truck and
bus rule. I hope that the staff will be continue to be
willing to make the trip up to northern California to do
those things.

In August, last year, our Air Pollution Control
District Board sent a letter with several concerns about
the upcoming compliance deadlines for the truck and bus
rule. In that letter, we asked for CARB staff to consider
several options to provide relief for small owners and
operators in Tehama County and elsewhere in the north
state, including reopening up the agricultural vehicle
provisions, the low-use vehicle provisions, looking at the
NOx-exempt areas. And our Air Pollution Control Board was
happy to see that this current version with the amendments
has addressed all the concerns that we listed in our
August letter.

One other thing we mentioned -- so our Board did
authorize the letter in March of this year expressing
support for changes that staff has proposed.

The last thing that our Board did ask for staff
to consider, not as part of the amendments today, but in
the future, relates to Prop. 1B funding. And in Tehama
County, to receive Prop. 1B funding, you have to operate
50 percent of your time in a Prop. 1B area. So if you're
a trucker in Tehama County, that means just to be eligible
to start the clock on whether you're eligible for Prop. 1B
funding, you have to drive about 120 miles just to get
into the Sacramento area. So that prevents many truck
drivers in the north state, not just Tehama County, but
counties further north than Tehama County and even a
little south of Tehama County from being able to access
Prop. 1B funds.

So I would encourage CARB to look at ways that we
can open up eligibility to north state truck drivers to be
eligible for that funding. Thank you very much.

CHAIRPERSON NICHOLS: Thank you. I especially
want to comment that your letter was influential, and I'm
happy that you recognize that we acted on it. But I want
to say how helpful it is when we hear from local
governments and they make really specific concrete
suggestions. It helps us to focus our efforts, too. So
thank you for that.

Mr. Wagoner.

MR. WAGONER: Good morning, Chair Nichols AND
Board members. My name is Jim Wagoner. I'm the Air
Pollution Control Officer with the Butte County Air
Quality Management District.

My Board has previously submitted written
comments on the proposed amendments, but they did ask me
to be sure I was here to talk to the points.

First of all, we want to also recognize the outreach of your staff in our area, working with our citizens, and really trying to reach that critical balance between the air quality needs that are necessary in the state and also in our area, recognizing the economic impacts. And we think that the proposal that's been put together is really a thoughtful balance of those needs.

Butte County certainly supports the additional NOx-exempt areas, particularly including Butte County in that category. We like and support the extended compliance schedules that are being proposed, particularly for the agricultural vehicles and work trucks. And we recognize that this will also result in additional grant opportunities, which we certainly also support.

But having said all this, my Board still continues to be concerned about the particular filter mandate that's continuing in the rural areas while there's still reports of performance issues. So we request the Board really look at the study that's being started. And we understand it's still ongoing and consider maybe just suspending that PM requirement until the study is done and the Board can consider the ramifications. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Now we turn to our first industry witness. I
guess I would call you industry, at least private sector,
Ms. Barrett.

MS. BARRETT: Ladies and gentlemen of the Board,
I would like to address and support the amendment
proposals.

My name is Patricia Barrett. I'm a native of
California, born and raised in the Bay Area. My husband
and I work in the Bay Area. We reside in San Joaquin
County. My children live in Sacramento and San Joaquin
County. My grandchildren live in Sacramento, San Joaquin,
and Santa Clara Counties, and my great grandchildren live
in Sacramento and Santa Clara Counties. This is where my
roots are. So if anybody is worried about California,
this is where my future is. I am worried about
California.

As an owner/operator of a single truck, if I as
an owner of a single truck am forced to put a filter on by
June 30, 2014, I will be forced to take the hardship of
moving outside of California. Our country is still in
recovering from the recession. It will be difficult for
husband and myself to reestablish gainful employment to
continue our livelihood. It's unfortunate many of my
fellow truckers have been forced to even live in their
trucks.

But myself to leave California would mean a
mental, emotional, physical and financial burden. Thinking of grandchildren. I'm still trying to qualify for the money to add my filter. And after many attempts to financial institutions, I have no funding. Unfortunately, the government ran out when it was my truck's generation to replace the filter.

So in conclusion, I would request on my behalf and others like me to grant continuance of the good faith amendment until such funds are reinstated. Thank you for your time.

CHAIRPERSON NICHOLS: Thank you very much.

Mr. Michael Rea.

MR. REA: Madam Chair, honorable members of the Board, and hard working and dedicated staff, my name Michael Rea. I am the Government Relations Chairperson for the California Association of School Transportation Officials. I'm also the Co-Chairperson for the School Transportation Coalition and also a School Transportation Director.

Over these past several years during the great recession, school budgets have been severely impacted. The recovery has come. However, school transportation funding under the education budget has not recovered. School transportation funding remains at its lowest level with no hope of any increase or cola in the current budget.
or the Governor's proposed budget. It creates difficulty for school districts to comply with regulations. Currently, right now, school districts only receive approximately 35 percent of the funding from the state of California that it takes to operate school transportation in this state.

We support the air quality benefits of the truck and bus rules. And we understand the need to amend the rules for small and rural fleets. But some of these amendments -- actually all of these amendments do not apply or accrue to the school bus rules for the truck and bus compliance rules. We respectfully request that the Board include only one small amendment for the school bus rules that would be extremely beneficial. And that would be the low mileage exemption that you're considering for trucks as well. So from a thousand miles to 5,000 miles until the year 2020 would be extremely helpful.

In California, there are approximately 1,050 school districts. 960 of them run some form of school transportation. Over 60 percent of those have fewer than ten vehicles. And we're talking about the very rural areas, also low mileage. These buses that we're looking at are spare buses that would only be used when the main fleet is not able to be operated, and it would give us some significant relief in order to comply with the rules.
One other thing we'd respectfully request from the Board, and that is that you continue to aggressively pursue funds for the Lower Emission School Bus Program so we can replace the buses out there that might now are not in compliance and are difficult for school districts to bring into compliance. There are approximately 3500 buses that qualify for replacement under the Lower Emission School Bus Program.

So thank you very much for your time.

CHAIRPERSON NICHOLS: Thank you.

Dr. DeLibero.

MR. DE LIBERO: Madam Chair, good morning. I'm here to speak in favor of the amendment. My present career is in public service. And I do maintain a clean air website.

You've all heard so many statistics today about small lungs, about trucks and buses being the major component of the problem that we see. You heard about the air particles, PM10 the size of a cross section of hair. When that gets into your bronchi, make you cough. 2.5 gets down into bronchials that gives you asthma and chronic disease. Even smaller particles across the blood lung barrier and travel throughout the body. Even nano particles give cancer and inflammation in various parts.

You all heard about the long-term exposures and
all the statistics involved, including premature birth and
so forth. You all heard about what can be done and how
L.A. freeways are basically cancer alleys. And the truck
drivers themselves are more susceptible to disease than
the average population.

Tons of sulfur are produced. Major chemicals are
involved. And when we talk about ozone, very simple,
emissions, sunlight gives us ozone. And if we look at the
map of the United States starting at 20, here's how the
ozone figures out throughout the United States. Look at
California. We're way above. If we look at particulate
matter and we start at 65, we're way out of line. Way,
way out of line with the rest of the United States.
Totally out of line.

Now, when we speak of statistics, that sometimes
can be a problem. Because when you speak of statistics,
you don't see the personal person involved. You don't see
the kid and status asthmatic turning blue in front of you.
You have a thousand cases of new asthmatics. That's all
it is to you. That's natural. The human brain works that
way.

The same with prematurity. You heard all the
statistics and so forth about small lungs. Well, I'd like
everyone in the audience to drop their pen and look at the
palm of their hands. Look at the palm of your hand. And
the next time you're thinking about legislation and
penning something with that hand, think of this. This is
what you get. Little lungs. Little people. A problem
for the individual. A problem for society forever.

Thank you very much.

CHAIRPERSON NICHOLS: Okay. Thank you.

Erica Morehouse.

Erica, while you're coming down, let me take a
second here. I only have the first sheet of people who
have signed up to testify, which is 20 people. Can you
give me a clue as to how many we're actually looking at so
we can start to gauge our timing?

BOARD CLERK JENSEN: Maybe 100 possibly. We're
at 62 and I'm still including the list.

CHAIRPERSON NICHOLS: Okay. I just wanted to
make sure people were aware of the fact that we've got a
long list.

We will take a lunch break today. We have a
short executive session scheduled for the lunch break. We
can be a little bit flexible about timing, but probably
people would like to know so they can plan, too. I think
probably noon would be the best. And we will just take
one hour and then come back and resume the hearing,
wherever it is that we break off. So hopefully that will
help people if they need to make plans. Okay.

We appreciate the incredible progress that's been made so far in cleaning up our trucks and buses and also California's national leadership on this issue. And we also recognize the difficult balancing that ARB is doing today.

We do urge the Board to keep the truck and bus rule as strong and consistent as possible in order to maintain the critical health and environmental benefits that it provides and also to avoid undermining investments in clean trucks that have already been made. I'm going to align my comments with my environmental colleagues that are coming. I'll leave it at that. Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Shellie Archer.

MS. ARCHER: Chairman Nichols and the Board, I'm Shellie Archer. I'm owner of Archer Trucking, a northern California construction broker with two locations, Mendocino County and Yuba County.

We have 64 trucks. I spent hours and hours fighting the rule, fighting what is in existence right now. I was one of the lead. I joined in with many people here in this room fighting and going to meetings and begging for staff to listen to reason, to allow more time.
All the things that you're proposing today in the amendments, we begged for those things. For over four years, we begged.

You said no, as a Board. It was absolutely, this is the rule, this is the law. And my husband and I stepped up. And we are over $3 million in debt. I could cry, too. Because, for us, we're 56 years old. And it's a ridiculous amount of money to spend. And we would have done just fine with the older trucks. And now my competitors who have not complied are getting the golden ticket. I'm getting slapped in the face because I complied and spent the money and made the investment.

A very important point, going away from my company, which is a big company. Never thought we would be this big. No one is fighting for the little guys who have complied. We have approximately 60 owner-operators of individual trucks. About half of them have gone out and either spent money on filters or bought a new truck. The other half have not. They're sitting back with shirts that say, "No, we're never -- comply? No. I'd rather die." That kind of thing. And they're getting away with it now. They just permission to not go out.

I have next door neighbors. One has a brand-new truck or a $15,000 filter on a really old truck. And one is just driving his old truck. They're on the same jobs
making the same money. One has a $2300 a month payment. One does not. That's not fair. No one -- there is no organization sticking up and banding together for the small owner-operators for the little fleets that did comply. They need a check or they need a tax credit. I need a check or I need a tax credit.

When we met with staff, we said, you're going to cause financial extreme hardship. You're going to blow us out. We're rural. We're small. We're construction. We hardly drive. Thank you for the construction truck rule. Thank you. It helps immensely. But we were assured by staff there will be economic -- it will turn around. Because everyone has to comply, the rates will come up. You will all be in the same level playing field. Hasn't happened.

The other thing I'm very concerned about is the onerous job of compliance that you put on truck brokers. DMV won't do it. CHP won't do it. But you want me to do it. And I risk fines if I you don't make sure that every sub-hauler is compliant. How can that be fair?

I beg you to tie compliance to DMV registration. There will be no one that can escape the radar if they can't register their truck without registering with the Air Resources Board. The VIN number database is there. Please, I beg of you, that's an easy solution.
CHAIRPERSON NICHOLS: Thank you for your eloquent testimony.

MR. GEARHART: Good morning. Doug Gearhart, the Air Pollution Control Officer for Lake County Air Quality Management District.

And I'm going to say overall my Board and we do appreciate the efforts and the options that have been made in this rule to allow some flexibility for the local and rural fleets.

The issues that we do have -- there are still some issues that we would like to have looked at and that primarily concerns with funding and funding or compliance dates. The issue in Lake County, as you know, we're a full attainment district. So in terms of incentive fundings that every other district in the state of California can get, we're precluded by law from getting those funds. So we have no access to local funding, other than our permit fees and subvention from the state. That's our funding source. So we have no incentive funding locally that we can we assist local fleets and the small rural fleets that work in our area.

Now, the key to this is we understand that anyone that goes out of our district or out of our air basin has to comply. But we think there are probably -- we're looking at tens to maybe 100 vehicles total that are
captive in Lake County, never leave the district, never leave the air basin that really they don't fall into any of these categories and they don't qualify for any funding opportunities. We tried. There's the precluded funds. There's federal funding. And basically we've been told your attainment -- you're the lowest priority. So you will never receive funding for any of these other funding options available for these local fleets.

So we're here to say there's still needs to be some options. There still needs to be some funding opportunities or push those time frames out for full attainment districts.

Our biggest issue, we want the NOx reductions long term. That's what we actually need. The PM, we're the cleanest in the nation for 2013. So we don't need -- the PM is much less of a priority than NOx reductions. We would like to see people upgraded to the 2010 compliant trucks. That's not going to happen until that used market and those -- or funding is available. So thank you.

CHAIRPERSON NICHOLS: Thank you.

Mr. Lanting.

MR. LANTING: Good morning. My name is Tom Lanting. I'm with the Gardener Trucking, President of Gardener Trucking.

I just want to go over some stuff you guys talked
about in your statement. California Air Resources Board is to promote and protect public health and welfare. We all know that diesel particulate matter effects children. We've seen the videos. Okay.

There is a million trucks operating in California based out of state 600,000 -- easier numbers. Registered in California, 400,000. And three or less trucks are 200. And three or more trucks are 200,000 also.

Little facts about Gardener Trucking. I started with one truck just like the lady up here earlier was complaining about she had a hardship. I started with one truck also. Gardener Trucking today runs over 1700 power units in the state of California and employs over 1700 people. Okay.

We've spent $55 million to comply with your laws and regulations. Okay. You guys talk about -- everybody in this room talks about you're going to save $400,000 by extending this. I'm against this okay. $400,000. But it's okay for Gardener Trucking to spend 55. We have done our job. We expect that you folks do your job and protect the well-being and health of the children of the state. Okay. We are on board. You need to be on board, too. Thank you.

CHAIRPERSON NICHOLS: Mr. Ficker.

MR. FICKER: Chair Nichols and Board members, my
name is Jared Ficker representing the Catalina Island Company.

You should have received some letters both from the Catalina Island Company and the Catalina Island Conservancy.

We strongly support the amendments being proposed today with one minor amendment to accommodate the unique situation on Catalina Island. Our situation there has to do with light-duty buses. It does not have to do with trucking. It's a visitor experience we're trying to accommodate on Catalina Islands.

The staff and Board should be commended for their efforts here. They've been quite responsive in the last few days. We've become lately aware of the impacts on Catalina. Despite the extensive outreach efforts, our stakeholders learned of these impacts quite late, just a few days ago. I apologize for coming here today with this request at a late date.

The total number of vehicles that this regulation applies to on Catalina is less than 30. Of those, almost all of them fall under the 1,000 mile or less a year requirement. The only things that do not are the light-duty buses that provide inner-island transport and visitation to the wild places of Catalina Island.

That said, we are absolutely committed and look
forward to applying the particulate filters under the
schedule as required in the proposed reg. We have an
especially difficult challenge on Catalina Island in that
the speed limit on the entire island is 25 miles an hour.
I understand the technology related to particulate filters
requires a lot of manual work related to those, and we're
committed to doing that. And hopefully we can show some
leadership in the state and how we apply that on Catalina
Island. Our vehicles don't go in excess of 25 miles an
hour, which does present some additional challenges for
particulate filters.

While we can do the particulate filters, the
reason why we need some type of amendment is the engine
replacement on Catalina as required in areas -- we are in
L.A. County that are non-attainment. The NOx standard
requires engine replacement. Catalina is 26 miles off
shore. We don't believe we're effecting the ozone factors
with these handful of buses in the South Coast district.

I had a conversation with Dr. Wallerstein this
morning. He did express concerning about bifurcating his
district area, and I understand that. That said, he
expressed some willingness to work through these issues.
We are not requiring or asking for anything related to
stationary sources. Just an accommodation that does not
require engine replacement for these handful of buses on
Catalina Island.

He did express some willingness to work with us on financial assistance to address this issue. If you've been to Catalina, these are historic buses. It's a part of the experience that's there. Retrofit is very difficult. There is not service stations on Catalina Island or dealerships to do and maintain modern engines.

I greatly appreciate this is a high quality, low cost visitor experience on Catalina. And appreciate you considering our proposed amendment. Thank you.

CHAIRPERSON NICHOLS: Thank you. You have contacted us. And I would be happy to talk with you about this at a later point. I don't think we can take the time to address your issue right this minute, but perhaps at the end of the meeting it will be part of the discussion.

I'm going to ask Mr. Hogo also if we can bring him to that discussion.

MR. FICKER: Understand. Appreciate it very much.

CHAIRPERSON NICHOLS: Mr. Joshi.

MR. JOSHI: Chairman Nichols and the members of the ARB Board, thank you for the opportunity to appear before you today.

My name is AJ Joshi, and I am Retrofit Commercial Manager for Johnson Matthey, a leading manager for
emission control technologies for vehicles subject to the truck and bus regulation.

For over 20 years, we've partnered with ARB, State, and federal agencies on various programs to improve air quality for Californians. We understand the challenges faced by ARB and also our customers in the trucking industry in implementing and complying with the regulation. While we prefer no modifications at this time, Johnson Matthey supports ARB staff's recommendations amendments because we feel they strike a reasonable balance between injecting some regulatory flexibility without undermining the program's overlying objective moving forward.

I would like to specifically address the issue of filter durability. I think this has been raised on many occasions. Through our own experience, we learned that, one, pre-assessing and fixing engine problems prior to installing filters and following required maintenance schedules have been the key to drastically reducing filter failures. The problems that we see are most likely as a result of bad injectors, leaky turbo chargers, and valve problems that existed before the filters were installed.

The problems became amplified by the increased exhaust restriction that occurs when filters become loaded with soot and increased back pressure. This condition
remains a by-product and not a root cause. This is why Johnson Matthey's policy is for its distributors is to not install filters on a truck that does not pass an pre-assessment test that has not remedied the engine issues identified. We need engine health tests and filter maintenance practices valid warranty claim for our products are well below one percent for filters.

Any Board decision that provides revisions to the program beyond staff's recommendations would inject significant uncertainty and result in serious negative consequences for the market.

First, considering the program is rapidly approaching a compliance milestone, further modifications would be unfair to those fleet owners like some that we spoke to today that have already come into compliance.

Second, on behalf the industry I should say that regulatory uncertainty puts enormous strain on manufactures like Johnson Matthey, but also our distributors and installers who have made significant investment in facilities and highly trained technicians to perform retrofits. Retrofit installations require highly technical labor pool, one that has grown here in California with the advent of the retrofit program. For over 20 years, we've been doing this.

Several manufacturers and installers rely heavily
on retrofit system sales to allow them to continue business operations. Our fear is that of sharp decline in demand could cause some of these entities to cease operations. That could ultimately impact the ability of owners and also new customers for 30,000-plus retrofits already in the field to not have access to service or to components. So thanks so much for your time. And feel free to contact me if you have any questions.

CHAIRPERSON NICHOLS: Thanks for your testimony.
We'll interrupt the list because as I had agreed we would call on our elected officials when they arrive. So we would like to welcome to the podium our former colleague, Supervisor Judy Case McNarry.

SUPERVISOR CASE MC NARRY: Thank you so much.
And my apologies to the line. I know you're all waiting a long time. I came up on Amtrak. I'm going right back because I have additional meetings in Fresno today. So I appreciate it. Thank you, Chairman Nichols and members of the Board.

I'm here representing both the citizens of Fresno County, but also as a siting member of the San Joaquin Valley Air Pollution Control Governing Board, of which I have been a member of the Board of Directors for 14 years now. I've served as a Fresno County Supervisor for 16 years. So we've seen a lot of changes over that time.
I'm here because of the huge impact the truck rule is having on local citizens and the huge potential impact it will cause to our economy in the Central Valley. The people it's hitting the hardest are the small owner-operators. These are individuals that save up their pennies and their dimes and their dollars and they buy a truck. And every day, they go out and haul various products with that truck. And it's their only source of money coming into their house to support their families. These are the people that are really, really worried about this rule that just can't get to the next phase.

Our Board and the San Joaquin Valley Air Pollution Control District sent a comprehensive list of recommendations that were important adjustments to the truck rule. We want to thank you for incorporating many of those suggestions into your rule that you're considering today.

I would like to impress that success of this program is critical to clean our air. And we need incentive funds to help local truckers make important changes. Truckers need certainty to move forward and make large financial commitments. Our Board has unanimously agreed that all of the remaining Prop. 1B funds should be used for incentive funding for trucks and that the San Joaquin Valley Air Pollution Control Governing Board wants
to work with ARB to look for additional funding to accomplish this very important work.

I have a specific request, and that is I'm asking the ARB to include language in your resolution that allocates all remaining Prop. 1B funding for the San Joaquin Valley to be used for truck replacement assistance. And we will look forward to working with you for additional incentive funds to make sure all of our truckers are able to make this very important change, but that we help them get there.

So it's really a pleasure to be back here. I wish you well. I think you have a long hearing yet to go. Again, thank you for everybody for allowing me to come forward.

CHAIRPERSON NICHOLS: Thank you for making the trip, especially using a train.

Okay. Mr. Nguyen.

MR. NGUYEN: Hi. How are you doing today?

I'm here to talk on behalf with all my fellow co-worker. We are like single. We only have only truck. We have an older truck. So, you know, with all the regulation coming on, we had to follow what they requesting.

And we had to sell our own truck for nothing to by a newer truck and put on the filter on it. We cost
around like 40 to like $50,000 to be, like, to be able to work for, like, the next, like, ten years. To follow whatever the regulation is. And now you come out with extension for those people that didn't do anything about it. They just sit there and wait for our extension. We was thinking when we do other requirement, we would get more money for the contractor to pay us because we spent our money to work on it. So now how are we going to go out and compete with those guys don't do anything about it. They bid the job for lower money. They don't need any payment. So they willing to work for lower the rate. So how are we going to compete with them? And how out $50,000 in our pocket.

So if you guys thinking about extension, think about us who followed the regulation, you know, to be compliant. Give us some kind of credit, you know, like tax credit or anything. Just don't like -- need more fund to other people this and that, I understand. What about us? We follow the rule. And people just sit there and wait. And just give them another three, four more years. For what?

Everybody in California I know all the air pollution and stuff. I have kid. That's why I followed the rule. I don't want my kid to grow up and get sick. My son have asthma, I don't want that to happen to my son.
So, you know, I hope you guys think about it. You know, give an extension to those people don't do anything about it? Think about people that complying, do everything, whatever it take to be compliance and follow your rule and make California better. Thank you.

CHAIRPERSON NICHOLS: Thank you.
Could I ask, Mr. Nguyen, if you and your colleagues, did they sign up also to testify, the other gentleman who were with you?

MR. NGUYEN: I think they did but --

CHAIRPERSON NICHOLS: If they are not going to testify, they should let the clerk know. If they still want to come up and testify. But just so you know, it makes it easier for us to let us know.

MR. NGUYEN: We tried to make it short.

CHAIRPERSON NICHOLS: Thank you very much.
Okay. Next is Steven Davis.

MR. DAVIS: I'm Stephen Davis. I'm kind of unusual that I'm also an end user and an installer. My parent corporation is RV Jensen. We're a fuel oil jobber based in Fresno, California. So far we spent $1.8 million in retrofits and replacement equipment to be a compliant carrier. It's been a great expense for us. By the end of the year, we're going to be at $2.6 million to be compliant with the equipment replacement and put installs
on the trucks. It puts it at a great disadvantage. We're really opposed to any rule changes. Puts us at a great disadvantage to compete with the other carriers that have not done anything so far. They're waiting for the rule changes. They're always saying if we don't do anything, CARB change the rules and they won't have to. So far, they've been right on target. The longer they wait, the more we spent, and there's still undercutting our rates. Makes it very hard for us to compete.

Then on the installer part, we're an installer out of Fresno. Advanced emissions. We do a very good job. We pre-assess. We check the trucks for the wells the best we can. We download the computers. Oil samples, smoke test before we do installs. We're having very little problems.

Actually, on the R.V. J. side, the new trucks are giving us more problems than the retrofit trucks we've got. The retrofit trucks are doing a better job of being on the road more hours without service. Then on the advanced emission side when we go to the installs and try to talk to the customer, tell them about how to run the filter, yearly cleanings, we send out letters, our response for yearly cleaning is pretty low. Probably about 20 percent come in. Most of them wait until their red light comes on. By that time a lot of times they've
damaged the filter gone. It's gone so long it's impacted, hard to clean. We're trying to educate the end user how to use the filters. So the filters do work. But it's up to the end user -- it's a maintenance. They have to maintain it. So we've seen. Thank you for your time.

CHAIRPERSON NICHOLS: Thank you.

Mr. Simons.

MR. SIMONS: Chair Nichols, members of the Board, thank you for allowing me to speak.

My name is Gary Simons. I'm Engineering Director for Donaldson. Donaldson is a worldwide manufacture of filtration solutions. Our exhaust emissions business has been supplying VDECS for both California and EPA market for many years. And we also supply into the on- and off-road OEM market for aftertreatment systems.

We recognize the push back that ARB is receiving in trying to clean up trucks and buses in California. While the latest proposal makes some reasonable concessions, several factors have not been adequately addressed. These include the emissions impact due to the good will and flexibility options, the financial impact on retrofit manufacturers and dealers, and ARB's credibility given the number of roll backs.

The proposed changes will reduce the likelihood that DPFs will be installed and will negatively impact the
California air quality. Of greatest concern is the flexibility option that waived the DPF requirement to 2018 with a promise of upgrading to a 2010 truck. This exemption will allow highly emitting trucks to remain on the road while biasing the market against those that have already complied with the rules.

In order to install a DPF, a vehicle owner will not only have incurred the expense of the DPF and its installation, but they also had to ensure their engine runs well enough for the DPF to perform properly. Our experience has been with the late adopters is many of these vehicles are truly high emitting vehicles. They generate soot significantly more than what their certified values are. If the proposed good will exemption is approved, these engines will not only lack the PM filters, but those engines are not running well enough. They are higher than what is in the California air quality estimates. We have not seen any calculation that incorporates these high-emitting engines into the inventory.

The proposed rules represent yet another roll back to the truck and bus rule. Each of these has made it more challenging to supply DPFs into the market or reduce the potential size of the market. The market has gone from 60,000 as recently as July of 2013 until now recently
at 8,000 vehicles. For those that have invested in the money to produce these clean vehicle options, it is difficult for us to get our investment back. Our concern is whether ARB has assessed the impact on the manufacturers if the market contracts. The concern is also to those that may not have a capable supplier able to service or warranty the remaining systems.

We are also concerned about the regulatory certainty that this provides with the further roll changes. So we would ask that the original rules remain as stated. Thank you.

CHAIRPERSON NICHOLS: Thank you,
BOARD MEMBER RIORDAN: Next I'd like to call on Mike Cook.

MR. COOK: Hello, Board. My name is Mike Cook with A&A Ready Mix Concrete. I'm fleet manager. We've reduced our fleet size to about 530 vehicles now. The economy has been really hit hard in California in construction. We retrofitted 154 trucks, and we did 129 of those with early credits -- excuse me -- 139 without taking any money from the State. And we just recently received grants for 95 trucks totaling nearly $5 million. But with that, we must come up with 14 million of our own money, which we've lost more than that since the recession started in California.
The concern I have is on the Prop. 1B proposal in the regulations, California has some of the most strictly enforced weight laws in the country. In 2010, adding a DPF and SCR to the truck added a great deal of weight. We just bought 30 mixers. Borrowed money last year. $5.4 million to put these mixers on the road. And they have nine liter engines in them. That's typical of what our competitors run.

Now, under the Prop. 1B requirements, we must put a heavier eleven or twelve liter engine in there. The reason being the eleven or twelve liter engine is considered a heavy, heavy duty engine and the nine liter is considered a medium heavy-duty engine. It does the same job. It hauls the concrete there and it hauls more per load so we have to make less number of trips. And it uses less fuel, therefore creating less emissions. And it just makes no sense that we have to put a heavier engine in these vehicles and haul more loads of concrete.

Please consider this Prop. 1B requirement. And one thing to remember is everything that came here in this room got here at one time or another in a truck or a bus. Thank you.

BOARD MEMBER RIORDAN: Thank you for your testimony.

Next Ron Faulkner.
BOARD MEMBER BALMES: Could I ask staff to explain this 11 liter engine?

BOARD MEMBER RIORDAN: Certainly. I'm assuming staff when issues are raised, you are taking this down and then you'll respond at the end. But let's take this one for an example.

MANAGER YURA: Elizabeth Yura with the Prop. 1B program. The program does have specific requirements for if you are coming into the program with a certain class or certain rating of truck, that's what we paid for replacing. And so there are some different types of flexibilities the program does offer to look at for specific vocational uses if different types of engines are needed we could look at exceptions. So it's something that we are willing to look at if the gentleman wants to grab us after the hearing. We can definitely talk to him.

BOARD MEMBER RIORDAN: Excellent. Mr. Cook, I've kind of lost you. But if you might, when we conclude the testimony this morning, you may want to speak to one of the staff members. Very good.

Mr. Falkner.

MR. FALKNER: Good morning to everybody. I'm Ron Falkner, from Falkner Trucking, the President out of Tulare. We have a 50 truck operation. We are CARB compliant until 2017.
Like Ms. Archer, we started fighting this in 2007. Tony and Todd took a lot of flak from me over the years over this. But we decided in 2011 to get compliant because it was coming. I tried to get all these one to two to three truck guys involved in this. They all said no, Ron, you're wasting your time. It's ludicrous. It's never going to happen. We decided it's going to happen. So we spent -- we have spent a million and a half since 2011 to get compliant. We'll have to spend at least another 750,000 by 2017 to stay compliant.

So what we need, we need all these people to get CARB compliant like we are where we can keep the rates up to where we need.

My accountant and I yesterday got together, and we done a spreadsheet. My first nine months of my fiscal year with all the money we had to spend on extra payments, retrofits and all the stuff we had done in the first nine months, I'm $13,000 in the hole. We refinanced my whole company last year to be able to even try to survive this ruling.

So these other people -- and we had trouble getting credit. We had to hock everything we got, me and my wife did, to get our company restructured.

And we're trying to stay in business. I have 60 employees. I have to worry about them, too. These one to
three truck guys. I'm an owner-operator myself. I started with one truck like Thomas did from Gardner in 1988. I started with my first truck.

These people need to get in line to get this stuff done. They should have been hustling earlier to get this done. They should have got in compliance so we can get the rates up to where we can afford this. With the rates where they're at now, with the difference in the market, we're up here with their debt. They're down here. That's where the rates are at. It needs to be a level playing field to get the rates up to where everybody can survive this. It's here. It's going to happen. It needs to stay this way.

I'm opposed for the amendments, because we need to get the rates up. Everybody needs to be on a level playing field to get the rates up to where we can all survive this. Thank you.

CHAIRPERSON NICHOLS: Mr. Hessler.

MR. HESSLER: Thank you, Chairman Nichols, members of the Board.

My name is Chris Hessler. The firm I work for, AJW, supports both of the trade associations that work in the emissions control industry. MECA is the technical arm of the industry and AESI is the new policy arm of the industry.
There are four simple points I want to leave with you today.

Number one: Emission control technologies work. The evidence is in operation right now on every highway in the country and every major construction site in the country. The retrofit devices that are required by the truck and bus rule are no different than the devices that have been sold on new diesel engines since 2007. The devices work. And failures, when they happen, are most often caused by poor engines maintenance.

Number two: It's important to be fair to those that have complied. Why should a driver who has already complied with your rule have to compete against another driver who is being given a new extension? ARB should be careful not to take an action that makes timely compliance with ARB rules seem like a poor business decision.

Number three: ARB needs anti-backsliding measures. Strong anti-backsliding will help ensure that the promised and paid for emissions reductions are actually delivered. An inspection and maintenance program will help reduce the potential for engine maintenance issues to interfere with the operation of emissions controls. A more rigorous aftermarket certification protocol will ensure that replacement of emissions devices meet the appropriate performance standards.
Number four: ARB's actions influence investment in future technologies. The next generation of emission control and efficiency technologies is nearing commercial readiness. These emerging technologies for cars and trucks are needed to continue to meet California's economic growth while addressing the challenges posed by ozone non-attainment and climate change. These new technologies will reduce greenhouse gas emissions and conventional emissions caused by transporting cargo and people around California.

But investment in the innovative technologies will slow to the extent the companies that are developing these technologies become concerned and question ARB's commitment to maintaining its own adopted standards.

Again, four simple points: Emission control technologies work. Be fair to those that have already complied. Strong anti-backsliding is an important component. And your decisions, your actions will influence the future availability of technology.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Mr. Anair.

MR. ANAIR: Good morning, Chairman Nichols, members of the Boards. Thank you for the opportunity to comment.
My name is Don Anair. I'm the Deputy Director of the Clean Vehicles Program at the Union of Concerned Scientists.

I just want to say it's really -- taking stock today, it's impressive to see the level of progress we have made in California the last 13 years since this Board adopted the Diesel Risk Reduction Plan which was aimed at protecting Californians from the harmful effects of diesel pollution in terms of the increased cancer risk as well as increased rates of asthma, heart disease, and other health impacts that we heard about earlier today.

This progress has really been due to the investments from the industry in terms of cleaner technology and cleaner trucks, as well as public -- a large amount of public investment in this same technology in terms of grant programs, incentives, Prop. 1B funding, et cetera. And I think it's important to recognize that this effort is working. We're cleaning the air. Measurements after the port truck rule was established in 2010, it showed greater than 50 percent reduction in areas where those trucks were operating. So we're achieving levels of improvement. We're helping reduce air pollution and we're improving the health of people in these communities who are most impacted.

We haven't reached the finish line yet. We're
not there. And the communities who are most impacted, those by ports and rail yards, industrial areas, freeways, they continue to face elevated risks of air pollution. So we strongly support the Board continuing to implement the truck and bus regulations and ask that you minimize any changes that are going to reduce the projected health benefits of this regulation.

A couple of key points. In terms of the loan denial proposal that's on the table, I think that's has the potential for a loophole. And I think if you're going to move forward with that option, make sure that the level of rigor on that is to a level that does not allow a gaming of that proposal. Particularly, there are many ways to comply with this regulation in terms of buying used trucks or new trucks or retrofitting. And a loan denial for a brand-new truck is not sufficient to say that that company did everything they could to comply.

In addition, I just wanted to note as well that your staff has proposed in the air quality improvement program discussion draft that was released last month to provide an additional $10 million for the Truck loan Program next year. I just wanted to indicate that USC strongly supports continuing investment in the truck loan program to assist with cleaning up additional trucks.

And then finally, the whole -- getting the rule
right is extremely important. But also enforcing the rule is extremely important for making sure there is a level playing field. I encourage the Board to continue their efforts on the enforcement side of the regulation.

Thank you very much.

CHAIRPERSON NICHOLS: Mr. Britten.

MR. BRITTEN: Thank you, Chairman.

I assume most of you got my letter that I wrote. I'm a little fired up. I ditto Ron Faulkner. Whether it's 55 million for Gardener or two million for him or my figure is 600,000 -- and it would be 600,000 that I borrow now that I would probably be at zero debt right now if it weren't for this stupid rule. I've complied.

I got people telling me I'm going to wait until they catch me. In the mean time, my trucks are parked while their trucks are going in and out of the port. That sucks for me. This is non-sense that these people say they just heard about this rule a couple days ago or a couple weeks ago. This rule has been in progress since 2006. In 2008, you had your first Board meetings. We fought it then. By 2010, we knew we had to comply. So we did comply. It's like a stick in the eye to people like me that you allow people to go forward and not be able to comply. My trucks are Heaver now. I could lose 1500 pounds on every load. That costs me 30 to $40 a day over
the people that are not complying because their trucks are lighter. You bet I'm fired up. They've had their time, too. They actually had more time than me as it is.

Thank you.

CHAIRPERSON NICHOLS: Ms. Holmes-Gen.

MS. HOLMES-GEN: Chairman Nichols and Board members, Bonnie Holmes-Gen of the American Lung Association in California. And pleased to be here on behalf of the Lung Association, other health and medical organizations in support of this life-saving diesel truck and bus regulation.

Some of the other groups that are supporting this regulation and our letter to you include the California Thoracic Society, numerous medical associations, and asthma coalitions. We are calling the diesel truck and bus regulation a critical public health measure and emphasizing this regulation not only saves lives every year it's implemented, but protects vulnerable populations. And you've heard that discussion this morning. Children, the elderly, those with asthma, emphysema, chronic bronchitis, other respiratory and cardiac illnesses, all in that vulnerable population.

You've had a very clear explanation of the health dangers. And we had Dr. Calhoun, a lung cancer surgeon was here this morning. He couldn't stay -- to remind us
again of the cancer risk from mobile sources in
California. And he brought the message that diesel soot
is linked to lung cancer. And lung cancer is the number
one cancer killer of both men and women, more than all
other major cancers combined. And that thousands of
people each year are diagnosed with lung cancer who never
smoked. So there are clearly environmental causes at work
and lung cancer rates in women are rising.

We need these dramatic reductions in diesel soot
that are occurring now because of this truck and bus
regulation to meet our federal health-based standards and
ensure clean and healthy air, especially for those living
in impacted communities. We have, as you've seen, had
tremendous reductions already. The great studies in L.A.
and Oakland regions that demonstrate thousands of tons of
particles that have been cleared from the air.

Your leadership is important today to continue
this important effort. We believe this rule is fair and
balanced. It does include flexibility and compliance
choices already. We do applaud and appreciate all the
fleets that have complied. You've heard some powerful
testimony today. We appreciate the investments that have
been made. And we need to have a fair and consistent
application of the rule and level playing field as we move
forward.
We urge you to be cautious and limit any additional revisions. Number one, we don't want to undermine the emission benefits of the rule. And we want to ensure again a level playing field. So we ask you to take a hard look.

While your charts show this overall your revision do not reduce the overall health benefits, there are some near-term reductions in health benefits. That does concern us.

We also urge you to ensure a ramped-up compliance, outreach, and enforcement efforts. This is important as you continue.

Just in closing, I would say that we have an asthma sufferer who comments that there are retrofits for trucks and buses, but there are no retrofits for human lungs. So we must continue this program. Thank you.

CHAIRPERSON NICHOLS: Mr. Johnston.

MR. JOHNSTON: Good morning. I'm Larry Johnston. I'm the Chairman of the Board of Supervisors of Mono County.

And I'm also a member of the Great Basin Unified Air Pollution Control District and former Chairman.

Just a note, I live at 8000 feet in Mono County and we are at high altitude training area. We sent six Olympians to the Sochi Olympics. Deena Kastor is the
women's record holder in the half marathon. And the
Boston marathon winner Meb Keflezighi trains in Mammoth
Lakes, just for your information.

CHAIRPERSON NICHOLS: And many, many years ago
Andrea Lawrence as well, the ski champion.

MR. JOHNSTON: And Andrea Lawrence as well.

Thank you.

We obviously are in favor of this. It exempts
our county, Inyo County, to be a no NOx area. We have no
NOx. But I want to say we do have PM issues. And one of
them is the Owens Dry Lake. And we are diligent in
pursuing reductions of that particular issue. It's been a
David and Goliath assault. And we appreciate the staff
and ARB for supporting us with that.

Again, thank you for your efforts in public
service and for the citizens of California and your time
today at this hearing. Thank you.

CHAIRPERSON NICHOLS: Thank you for making the
trip. Appreciate it very much.

Bryn Burke.

MS. BURKE: Good morning, Madam Chair, Board
members and staff.

My name is Bryn Burke. I'm a licensed contractor
and a crane owner. I'm here today on behalf of California
mobile crane owners groups in support of the proposed
amendments, which we believe will provide real relief to our economically battered construction industry.

My involvement and interest working with ARB happened quite by chance. But that chance meeting led to months of interaction with your staff. And I now stand here today to acknowledge our appreciation for their recommendations.

Mr. White, Ms. White, Mr. Brasil, along with their team have worked tirelessly and with a lot of patients delving deep into the crane, issues data loggers, contacting the crane manufacturers, reading OSHA regulations, ANSE regulations, taking field trips to job sites, among multiple other items requiring a great deal of attention and time. I can assure you, it has been no small feat.

We wholly support the proposed changes recommended by your staff as they will significantly assist crane fleets. Specifically the work truck provisions will provide relief in the short-term and the heavy crane provisions will provide crane-specific relief from 2018 onwards. The relief is paramount for the construction industry who, in addition to the truck and bus rule, must also grapple with the requirements of the offroad rule, portable diesel engine control measure, portable equipment registration program, as well as
project specific mitigation requirements imposed by the California Environmental Quality Act. While the proposed changes do not alleviate the cumulative impacts of so many rules, they will increase the flexibility of this one key rule and make compliance planning incrementally easier.

During the October 2013 meeting as well as today, I'm quite surprised to hear testimony from stakeholders who oppose any relief based on their ability for early investments to comply. While they look upon your rules as an opportunity to eliminate smaller competitors, their position is not there to the vast majority of California trucking and crane companies. The changes provided much needed relief for California contractors that do not have the option of selectively bringing only new equipment into the state while continuing to operate dirtier equipment out of state.

The current changes help restore some equity to the situation. As a mother, I'm morally obligated to teach my children. One of the more difficult concepts for my children to grasp is that to be fair does not always mean being equal. We all have spent money trying to bring our fleets into compliance. We have all made difficult business decisions that impact our cash flow, our debt schedules, and our ability to grow our businesses. We do not feel that our industry's investment in air quality has
been wasted.

Madam Chair and members of the Board, the staff recommendations are fair, are relevant, and significant. The crane industry supports the work trucks and heavy crane provisions. Most crane fleets have made significant investments in retrofits PM filters, replacement engines, and new vehicles. Construction fleets are still grappling with multiple rules. The best of the best have an incredibly difficult time distinguishing one from another. It would be fair to conclude these amendments may not be the last you will consider. I didn't consciously set out on this path --

CHAIRPERSON NICHOLS: Excuse me. Your time is up. If you could wrap up quickly, please.

MS. BURKE: I just want to thank you for your time. The amendment process worked as it will work again in the future. You can count on us to be a willing partner in that.

CHAIRPERSON NICHOLS: Thank you for your work on this issue.

MS. DE GRAFF: Good morning, Madam Chair and members of the Board.

My name is Joanna deGraaf, and my husband and I are both owner-operators and run two compliant livestock trucks for hire for deGraaf Ranch Trucking in Manteca.
It's been a family-run business for over 48 years in the San Joaquin Valley. Third generation that I hope to pass on to the only deGraaf son for a fourth generation.

I also have two children that are massive asthmatics and have willed both of them to breathe in ICU in the hospital in Manteca.

We are CARB compliant and strongly oppose the proposal to delay the rules for the four higher livestock haulers until 2023. We ask CARB for a compromise allowing ranchers with their own trucks not hauling for hire to be exempt, but that CARB enforce the rule for the for-hire carriers. Our company has spent over $600,000 over the last ten years to comply while supporting a family of six.

It is not a fair playing field for those of us who complied. The non-compliant trucks have done nothing but sit on their hands and ignore their rules. They charge the same rate per mile as compliant trucks do. They should not be rewarded for ignorance and defiance.

How will you enforce this provision? The CCA and their representatives speak on behalf of the livestock industry, and they are not being honest with you and they are not being honest with the trucking. No one said they had to buy a new truck. They can buy a used one and retrofit it. We chose to buy new. And due to issues on retrofitting, that was a personal and business decision.
that my husband and I both made.

Out of state trucks will not register with CARB because they don't think it's any of your business what they're doing. A lot of out of state trucks are compliant, plus 150 California livestock haulers have already complied. And there are more.

The truth is that there are more livestock trucks now in California than there was 20 years ago. There are economics involved in the trucking side as well. We have to purchase more expensive trucks, pay for four dollar a gallon fuel. And we are not against ranchers whom we haul for to survive. But the trucking end has been divided into compliant versus not compliant. Even Dwayne Martin, one of the largest cattle ranchers in California in our area didn't know about this, or Ed Rocha. They are members of the CCA and have compliant fleets. Truckers will do what they have and what's necessary to survive. Cattle hauling is seasonal, but there are other things to haul. Don't punish us for the millions of dollars we all spent to comply. There are more compliant trucks in California than not.

You gave us ten years to comply, and you're ignoring -- letting the ignorant and defiant borrow more and have 20. Please enforce the rule as it stands.

CHAIRPERSON NICHOLS: Thank you.
Ms. Ferrari.

MS. FERRARI: Hi. I've scratched this thing and changed it a few times.

My name is Debbie Ferrari. I've been involved with dump truck management for 32 years. I work at MAG Trucking out of hayward as an estimate and manager, and we utilize over 100 owner-operators. Our company managers have spoken with CARB personnel several times. Every time we receive the same clear instructions. We were told it's our responsibility to make sure that all of the owner-operators that work for us are in compliance or we would be severely penalized. We cooperated and acted as an agent for CARB in this regard, not only out of fear, but also because we wanted to operate in a legal and proper manner.

We took many steps and spent many hours and days helping the owner-operators. When some drivers said to me, "I heard there will be a postponement," I called a very high level manager at CARB and passed on the concern. The manager told me in no uncertain terms there will not be any extension. So I dutifully informed the truck owners they would have to comply immediately and many have already.

We would have preferred a postponement for all, especially given that there have been a lot of holes in
the grant distribution and the unequal applications of the law to date. Even some of the proposal extensions makes some sense. But the proposal that doesn't make any sense at all is the "I can't get a loan proposal," I'll call it. You claim that you can't get a loan for whatever reason. And in the mean time, the people that stepped up and went out and scratched and scraped and got the loan, they have already complied or they're willing and potentially able to comply, now they're on an uneven playing field. And now their business expenses are much higher. And now they risk losing their business because they have to pay so much more, as compared to their competitors.

It's been stated by important executives at CARB that the reason for proposing this "I can't get a loan four-year extension" is for that more grants will become available for single truck owner-operators as they are not available now and that more slightly used trucks will become available. In order to qualify for a slightly used truck or a grant, you must be able to get a loan. You cannot get a grant without getting a loan.

If you're going to go through with the "I can't get a loan proposal," there needs to be some reimbursement tax credits, cash reimbursements for these people that have already put on a very expensive and difficult to deal with filter on the truck, or I would say you need to put
that particular proposal on hold and sit down and have some serious round table discussions to discuss the facts from people that really understand the trucking industry and try to make some very strong changes or amendments to that proposal. That proposal needs to be discussed. It just doesn't work. And it isn't fair to all.

Thank you.

CHAIRPERSON NICHOLS: Thank you.

DR. BREZNY: Good morning, Chairman Nichols and members of the Board. I'm Rasto Brezny with the Manufacturers of Emission Controls Association. In addition to manufacturers of emission controls for new vehicles, MECA also represents the majority of the retrofit manufacturers that are on ARB's verified list.

So today I want to focus on three main issues. One is filter reliability. The other is the impact of repeated regulatory changes. And finally, the importance of maintenance and enforcement.

So I want to first commend the staff for their very hard work that they put in over the last six months and not just putting this together, this proposal, but also in the filter reliability investigation that they conducted. I think although it only had two slides in the presentation, I think it took a lot of work. I'm sure of that.
But their conclusion I think supports many of the other studies that have been done on filter reliability and performance done on thousands of vehicles operated for millions of miles that showed that the underlying issue is really is that to get reliable performance out of your filter, you need to maintain your engine and maintain your filter.

These devices, they're not new. The technology has been around. It's operating on over 300,000 in use vehicles around the world, as well as tens of millions of new diesel engines that are operating around the world as well.

The same filter technology is being considered for gasoline vehicles in the future to meet particulate matter standards in Europe as well as your one milligram standard under your LEV III regulation.

We heard from a number of stakeholders that repeated changes to the regulation send the wrong message to the industry, not just the industry affected by this rule, but also the companies that are going to be asked to invest in developing green technology in the future to meet California's future emissions and climate change objectives.

So we understand why the Board is considering these flexibilities, however, we urge you to consider the
impacts and also resist making any further changes in the future.

And finally, we certainly welcome the proposal by staff on investigating the importance of maintenance. And we think that we will certainly be working together with them to develop a stronger robust maintenance program, inspection and maintenance program that goes along with enforcement and other requirements.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Mr. Torres.

MR. TORRES: Madam Chairman, Board, staff, thank you for your time.

Chris Torres, F&L Farms Trucking. And I not only represent myself and my company, but G Farms Transport, Palmer Trucking, several other individuals that have posted remarks in the 45-day comment period. So please refer to those besides what I'm here to say today.

We are not comfortable with the proposals to extend the time for these folks that can't get loans. It's not enforceable, we feel. We're having a hard time with enforcement now it seems. We can run down the road today and look and see a lot of trucks that don't have filters.

This all has created a lot of unfair competition.
out there. I personally have spent a million dollars on 15 trucks we have. I have 15 employees. Those employees would like to be here today to testify to you that this needs to be a level playing field. They would like to receive more money and benefits for themselves and their families.

I don't believe that some of these amendments are good for the public. This is not in the best interest of the public at all. We need -- there are people that are going to lose on this. We knew that. You knew that. Staff knew that when this was going to happen, when you implemented this rule. It's going to effect everybody.

But some people have to not be able to continue on. Some people are going to have to be employees. They're not going to be able to be owner-operators anymore. I tear my hair out since 2006 on this. I was here in '08 when you passed this the first time. These folks have had six years. Can you honestly tell me after six years I'm on your Advisory Committee? We've sent out information to everybody with heavy-duty trucks. You mean to tell me you don't have a licensed truck, you received something and didn't know? All you have to do is save a little money every month and you can get a down payment on a truck. All you have to do. But it's not happening. There's some people that aren't going to make it.
I'm going to go onto something else from that. There's some parts of the modifications I agree with. The ag parts, I agree with the agricultural parts. I also agree with extending out these folks that have put filters on and let those trucks run until 2023. Please consider in installing or putting in there that these early technology trucks that came out from the factory in '07 through '09, put those in there. Let those trucks run out 20 years. When you sunset those trucks in '23, it's going to be adieu for those. If you keep those trucks in, these little guys might be able to buy those.

In closing, please link the registration into the truck and bus rule with the DMV. Very easy to do. We have a 2290 we have to submit from the federal government every year that has our VIN numbers of our trucks on it. The same thing is involved with the truck and bus rule. You have to put the VIN numbers on the truck and bus rule. Takes no time for the DMV to look at one paper, look at the other, and you get your license. If you don't have a licensed truck, the highway patrol is going to catch you and shut you down. Thank you for your time.

CHAIRPERSON NICHOLS: Thank you.

MR. MATLEN: I'm Joe Matlen from Valley Farm Transport.

I'd like to recap a familiar scenario. An
environmental problem is identified. A panel of experts is assembled. A set of regulations are implemented by a set of bureaucrats. The regulations threaten the very existence of smaller communities and industries. The rule makers know very little about the real issues of those effected by the regulations.

After implementation, questions about the validity of the studies that identified the initial problem are persistent. But after a while, the regulations are left intact. Protests from the local leaders of affected communities and leaders follow on deaf ears. As a result, they are ravished economically.

Well, this might sound a lot like the air quality regulations today, it's actually how the spotted owl controversy played out about 25 years ago. The parallels are amazingly similar.

Back to the present day, we have 140 trucks. We have invested about $10 million in compliance, with another two to three million to go. We do not support extensions for those who have done nothing to be compliant to date. We would support extended life for investment in technology that was required, like the 2007 to 2009 engines. We also support the extension of retirement credits, because those are things that are -- companies have taken actions to comply. Any extensions should be
limited to those who have already taken meaningful actions
to comply.

There have also been several comments about the
possibility of legal action by compliant carriers if the
amendments are approved as is. And I cannot believe this
Board would be so cavalier about putting the state at risk
of a lawsuit that has an excellent chance of success. As
a taxpayer, I find it to be irresponsible.

Reading some of the comments online, I do support
the recommendations made by the California Trucking
Association, which are very on point, reasonable, and
responsible.

If I could circle back for just 15 seconds to the
spotted owl for those curious about it, it is still
considered endangered, but not so much from a lack of old
growth forests but from another owl called the burrow owl.
So the government has ordered the burrow owl to be shot to
help the spotted owl.

So my point of this is that sometimes when going
after the initial problem, the final government solution
can sometimes be a lot more radical than originally
intended.

Thank you for your time.

MR. GREENE: Larry Greene. I'm the Air Pollution
Control Officer to Sacramento. Interesting to follow the
owls.

Thanks to the staff for the hard work they've done on this rule. We know firsthand the many meetings that you've been in and how hard you've worked. We know that it's a difficult issue trying to balance the air quality, the business needs, and fairness as we've heard a lot about today.

We do support the rule, but with the following comments. We again note how close we are in attainment in the Sacramento region. Very important to us that there not be any other extensions and that we stay to course as to where we are with this rule.

And in that regard, enforcement is very important. We need to ensure that those people who are out there who aren't intending to comply are caught and that they be forced to comply in some manner.

So moving forward, we will certainly work with you in that regard as we try to implement whatever the Board approves today. Thank you very much.

CHAIRPERSON NICHOLS: Thank, Larry.

Now we have a group of students with their leader, Jill Ratner. We've seen some of these folks before. We certainly have seen Ms. Ratner before. They are a group called New Voices are Rising. And I'm going to let Ms. Ratner and group introduce themselves.
How much time are you asking for for the whole presentation?

MS. RATNER: I think we're asking for five minutes for the group.

CHAIRPERSON NICHOLS: Great. That's terrific. Thank you.

MS. RATNER: My name is Jill Ratner. I'm the Project Director for the New Voices are Raising project at the Rose Foundation for communities and the environment. We are here to support the speedy implementation of the rule. You have seen us before, at least some of us. You've seen me before. And I think you've seen one of the students before. And I'm just going to ask the students to come up. And those who aren't going to speak will just state their name and their school and if they have something in particular and very short to say, they'll say that.

MR. MIXON: My name is Kaelin Mixon. I'm a senior at Fremont High School and --

CHAIRPERSON NICHOLS: Can you speak a little louder?

MR. MIXON: My name is Kaelin Mixon. I'm a senior at Fremont High School. I have asthma. I just wanted to say that.

CHAIRPERSON NICHOLS: Thank you.
MS. MOYD: My name is Charlene Moyd. I'm a senior at Fremont High School.

MS. CHAPPELL: My name is Patricia Chappell. I'm a senior at Fremont High School.

MR. MC ALROY: Malcolm McAlroy. I'm a senior at Street Academy.

One thing I do want to say is that I do agree with everyone else that the economy is very bad, that a lot of people cannot afford the filters or have the money to put in for the filters. But yeah.

MR. WILLIS: My name is Robert Willis. I'm also a senior at Street Academy Oakland. I actually live in the area of the Port of Oakland, so I see trucks like maybe once or twice a day normal. So if they were to implement this whole filter thing quickly, then the whole environment around my house would be better.

MR. GREENE: My name is Emmanuel Greene. I'm a senior at Street Academy.

MR. MENDOZA: Hello, everyone. My name is Miguel Mendoza. I'm also a senior at Street Academy.

MR. REYES: My name is Ahiezer Reyes. I'm a senior at Street Academy.

MR. SHIELDS: My name is Zion Shields. I attend Fremont High School. I will actually speak on these situations.
We all withhold the knowledge that we all have to share the same air, but unfortunately, we can't control the things that go into the air. Everybody is putting the responsibility of truck drivers as the reason why there is so much pollution. But there is some positives to truck drivers being out there. They get the products out there and the goods. But unfortunately, the effects of it is pollution. And that could effect us.

I have six siblings who have asthma and I've witnessed two of them have asthma attacks. That's very emotional to go through and witness. So to see them be effected that way, I would like to see something take place in order to help them out so other people aren't affected by these types of situations.

We do need truck filters on trucks so that it would better help people with asthma because people's health should come first. And if anything, health should be first. Thank you.

CHAIRPERSON NICHOLS: Thank you.

MS. TAPIA: My name is Pamela Tapia. I'm a graduate at tap yeah a graduate in West Oakland, which is an area that has the third highest asthma hospitalization rates in the state of California, which is attributed to four surrounding freeways, truck routes, and the port, all of which are major contributors to diesel pollution.
My sister and my mother have moved to the central valley, another area with high asthma rates. I have asthma. A month into living in West Oakland, I suffered my first asthma attack. I was rushed to the emergency room. And when the medical staff couldn't hear my lungs, they decided to hospitalize me. I've been hospitalized five times, for several weeks at a time, which has affected my attendance and my performance at school.

My experience with asthma is what motivated me to speak to you to the Board about diesel pollution the first time five years ago and to come back in 2012 to support the bus and truck rule.

This rule is important. It's making a change. A U.C. Berkeley study found black smoke and NOx emissions in West Oakland was reduced by half when the port truck was implemented in 2010. This is great, but it's not enough. It's time to implement the truck rule all over California. We understand that cleaning up trucks is expensive, but somebody has to pay it. Right now, we're paying with our health. That's not right. Thank you.

MS. RATNER: And I also have some postcards here that were written by students and also some of them were collected by students at another event. So I'd like to submit those for the record.

The postcards urge the steady adoption of the
rule. Thank you.

CHAIRPERSON NICHOLS: Thank you all for making
the trip and for the work you do organizing your own
community.

MR. MAGAVERN: Good morning, Madam Chair and
Board members.

Bill Magavern with the Coalition for Clean Air.

You all know this Board's number one job is to
protect public health. And like many millions of
Californians, I live very close to a freeway. In fact,
two freeways in my case. So this morning's update on
health effects was another reminder of how important it is
the work that you have done supported by your excellent
staff over the years of reducing diesel emissions.

And I you think that the choice in front of you
today really goes to the core of everything that you do,
because everything that this Board does relies on
environmental laws and rules and enforcement. And when
you have a situation where you have set those rules and
now are faced with a decision of whether to delay them
after you have a whole majority of an industry that's come
into compliance, I think it raises a lot of questions
about what would be the impact in the future when you set
rules.

I've been involved with environmental law and
regulation and enforcement since I got out of law school 26 years ago. And I think one of the most important things I've learned is that what everybody's looking for is some certainty, that you set rules that are clear and fair, and then you enforce them consistently and fairly.

And in this case, of course, you adopted the rule in 2008, and it's a tough rule. I don't think there's any doubt about that. You came back two years later when we were in the depths of the recession and you relaxed that. And we did not oppose that.

But now four years later and you have all these people who are complying and coming to you and saying we went into debt in order to comply with this rule and to help clean up the air in this state. And I would be very concerned if those folks were ignored and that if we let drive the process the complaints of the non-compliant minority, most of whom I think are not going to be happy with anything that you do. So for us, it's important that we stay the course. We absolutely support more funding for the loans, and we support a strong and fair enforcement program. And we urge that you keep your eye on the ball of reducing diesel emissions. Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Mr. Mangalindan.
MR. MANGALINDAN: Madam Chair, members of the Board, my name is Alvan Mangalindan. I'm here as a representative of the Crane Owners Association, an association of crane rental contractors based out of the Northern California Bay Area.

On behalf of our members, I'd like to echo the sentiments that were expressed earlier by Bryn Burke of the mobile crane operators group. Our members currently own equipment that is covered by the truck and bus rule. And the proposed amendments would afford our members additional time to achieve compliance. And as a result, we are in support of the proposed rule changes regarding heavy cranes and work trucks. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Mr. Faris.

Mr. Faris: Good morning. And thank you for allowing me this opportunity.

I'm been on record numerous times with my opinions the way I would have liked to have seen this gone, consulting more people that are actually in the field. I've been trucking since the early 60s. And I was forced by the Board to take the small fleet option because of the economy and other things. And I've complied with that.

And I would just like to say that I appreciate
what is being done. I'm in favor of everything that you're proposing. And there have been some very good things brought up today about the funding, the enforcement, et cetera, et cetera. But I just want you to know I'm in favor of your proposals. Thank you.

CHAIRPERSON NICHOLS: Thank you, sir. Okay.

Now for a slight shift. We have a group of gentlemen who have bonded together. They are all gentlemen I guess banded together marching towards the front here led by Justin Oldfield from the California Cattlemen's Association, I believe. And they've asked to speak as a group. And I think there is eleven of them. And they want about 18 minutes.

MR. OLDFIELD: We'll attempt to finish that sooner. I know it's a busy day.

CHAIRPERSON NICHOLS: That's great. So I'm just going to say I think we should do. And then after the group speaks, we should take our lunch break, if that's okay with everybody.

MR. OLDFIELD: Okay. I will begin. Thank you very much.

Chair Nichols, members of the Board, my name is Justin Oldfield with the California Cattlemen Association here in Sacramento.

And first off, I'll let the gentlemen behind me
introduce themselves as they come up. We'll have a few
speakers that will follow me. But all are here today in
support of the proposed amendment for livestock trucks as
proposed by the staff.

    And briefly, I would like to begin by voicing my
appreciation for the willingness of your staff to address
the concerns brought forward by CCA ranchers and the beef
cattle industry.

    As I mentioned, we're here to speak in strong
support of the amendments proposed related to livestock
trucks. I want to be -- I first want to ensure there was
a clear understanding of what is being proposed.

    1. This proposal uses the compliance mechanism
already established in 2008.

    2. Trucks must be used exclusively to haul
livestock.

    3. Eligible trucks must be reported no later
than January 1 of 2015 and report every year thereafter.

    And 4. Trucks not compliant with either
component will be required to comply immediately.

    Given the debate here today, I want to make one
thing absolutely clear. The relief sought by this change
is to benefit California's beef cattle industry, period.
Not to favor one hauler over the other.

    The need for this amendment is clear. Our state
is experiencing the worst drought in California's history, which has left ranchers with two challenging options; liquidate cattle or attempt to feed hay that has doubled and tripled in price. The magnitude of the economic impact that drought has had on our state's ranchers cannot be overlooked.

Even without adverse weather, government regulation, and other economic challenges, ranching is a very tough business of slim margins set by global markets and world events all outside of our control.

Transportation is a critical component of our industry. Trucks typically operate seasonally and serve as the sole mechanism to move cattle from one forage to another and transport calves to market.

Our transportation needs before the implementation of the truck and bus regulation, especially during the spring and fall, were already tight. And moving forward, there will simply not be enough compliant trucks to meet our hauling needs.

Ranchers continue to report from all over the state that many of their haulers have either hung up their hat permanently or have indicated they will no longer work in California. Regardless of what some may argue here today, this is a real challenge that we face. Our California fleets are tremendously important to the
livelihood of our industry. However, ranchers must be able to access additional trucks, including those from out of state.

Of all beef calves marketed annually, we can estimate that roughly one-third remain in California while the rest are sold to out-of-state buyers who contract with their own haulers to move cattle east.

Our ranchers must stay competitive to compete with competitors in other states. This does not account for the over 200,000 cows, probably more, that are annually moved to other states and back just for summer forage.

A very telling example of this predicament is our additional transportation needs replicating from the closure of California's largest beef processor in Brawley. To maintain the hundreds of jobs created by beef producers in the Imperial Valley, the 380,000 head of cattle previously harvested annually just a few miles down the road will now have to head east to Texas, Nebraska, Kansas and Colorado.

Trucks historically back-hauling calves out of northern California are already being diverted to haul cattle out of the Imperial Valley. And this alone will have an impact on our already short supply of trucks.

While this is no silver bullet, staff's proposed
amendments will go a long way in helping to address this
disparity, and we urge your swift approval.

    Thank you very much.

    CHAIRPERSON NICHOLS: Thank you.

    MR. LEWIS: My name is Tim Lewis. I'm a small
operator here in Sacramento County. I'm in a very small
bubble under a large blanket which you guys have proposed,
and it's very difficult for me to try to ask for any type
of leniency on these rules as I'm CARB compliant. And I
have personally spent hundreds of thousands of dollars to
ensure that I keep up with your regulations and what
professionally needs to be done with our industry and what
we do.

    I have one truck that is coming up in 2016 that
will need to be replaced. And I plan to do that either
with buying a newer truck or putting a filter on it.
Haven't decided yet. I still have a year to do it.

    But on the other end, I have livestock. I run a
few thousand head every year. I own trucks. I can't find
trucks to ship them all at once. When north wind comes in
April and May, you have a few days to really make a
decision, get those trucks lined up, get the buyers,
everybody on board to get these cattle out. And I stand
to lose personally thousands of dollars a day if I can't
do it. And I have, like I say, my own trucks.
I know a lot of us face that same issue. I have drivers that driver. I try to keep them busy. Now that I upgraded my personal equipment, these guys -- I've gone out of state, which I've never really done before, Oregon, Nevada, California is where I'm based. Now I'm going Mississippi River west, and which is fine. It's pushed me to do a better job and go further and create a bigger business.

It's kind of the American dream, I guess. I am sympathetic for those who have already spent all the money on their equipment and have upgraded with their professional responsibility, of which our industry should do on the commercial end. Thank you.

MR. BATTEATE: Hello. Good morning. I'll Albert Batteate. I'm a livestock producer in California. I'm a livestock transporter as well. And without the regulations I strongly believe it will not be enough trucks to meet the needs to move the cattle in a timely manner.

As you previously heard, there is not a lot of time. So you just can't put them on hold and wait until you get somebody to come and do it. And as myself, I have trouble myself getting trucks to move these cattle during the spring and fall season. Off season, it's not a big issue. But the problem is the season is when they all
MR. AZEVEDO: Good morning.

CHAIRPERSON NICHOLS: Still morning.

MR. AZEVEDO: Yes, it is.

My name is Bill Azevedo. I've been a beef producer for about 30-years-plus in California. My business is a one-man operation to ensure I get my cattle moved twice a year to summer and winter pasture. I also have a semi cattle truck and trailer.

I exclusively haul cattle. I don't haul anything else. Part of my business is subsidized by hauling cattle for hire. I've been doing that for other folks that are friends of mine and helping them out over the years.

The drought and the economic impact on inadequate grazing grounds and the rising cost due to fuel is also another problem in our industry. Thank you for your time.

Happy trails.

MR. PEEK: My name is Brad Peek, and I don't own a truck, nor do I want to own a truck.

But we are -- my family has one of the largest cattle marketing operations in California. We have a brick and mortar auction yard. We also buy and sell cattle direct to and from ranchers throughout the state of California. And we also have a satellite Internet video auction business. We are drastically effected by all the
regulations that are in the effect.

I'm here in support of the extension or the amendment being proposed. However, I would be one ticked off son of a gun if I was one of the guys who have paid for upgrades or new trucks. So I definitely sympathize with you. Before I got here today, I did not know all that was going on.

So that being said, I'm going to speak as a marketer in the state of California. We receive cattle in from probably eight to ten different states. These cattle are not just in the state of California that we market. So they come into our state from eight to ten different western states. We sen cattle out of the state of California probably up to 16 to 18 states, all the way to Missouri and Iowa and states further west. So definitely in the busy times of the year, the spring and the fall, there are not enough trucks to go around at a competitive rate.

So that being said, I want to talk about a large amount of the truckers that we have in this state are not exclusively cattle truck drivers. Some of those people also haul other commodities. Therefore, they can afford to do some of these upgrades better than the cowboy rancher trucker that hauls exclusively cattle truck and in a seasonal time of the year.
The other thing that we're affecting here as truckers and ranchers is already high cost of fuel obviously. And the freight costs are a great decision making part of a buyer. When he buys cattle from out here, he's not buying them just at the price you're seeing. He's factoring what his delivered cost is from whatever that point is he's going to, whether it be to another point in California or as far east as Nebraska or Iowa. He's factoring in that delivered cost. With fuel already being high and the added regulations with the upgrades of the trucks, these deliberate costs will be more. Our producers lose out on their net profit.

So with that being said, I appreciate your time and good luck. You have a tough job.

CHAIRPERSON NICHOLS: Yes, we know.
MR. OLDFIELD: I think we're done, ma'am. Thank you very much.

CHAIRPERSON NICHOLS: Thank you. You took less than your time than you asked for, which is always appreciated. If you wanted to say another word, if anybody wants to sing a chorus of Happy Trails, that would be okay too.

UNIDENTIFIED SPEAKER: You don't want me to sing. Thank you for this time. I'm also a producer and a livestock hauler. We are all interested in clean air,
clean water, pristine environments. We all want it. And what you're asking us to do is financially impossible. I haven't heard anybody that said that the particulate filter is the best thing that ever happened to them. Nobody. They work great on the ranch, but they don't work on the trucks. They're making these particulate filters to fit a certain area, but they don't have the motor to fit the particulate filter.

The cost that you're asking us to take on are huge. That one guy that was talking about he has 16 drivers and $13,000 in the hole, that knocks me down. How do you do that? How would anybody do that?

The picture of the preemie baby, heart wrenching. But what we do with the end product of what we give you, look around you. Everybody is benefiting from it. We're trying to do the best we can do. But we are based on what we can operate on. What are our costs. What our rates are. These guys that say they're worried about the rates and how you're going to compete with guys that aren't complying, what are you waiting for? Raise your rates. I fight every day to raise my rates. I fight these guys. I fight these guys out here that are compliant. And most of them put a lot of miles on. And they also do something else. So they can be compliant where we're not.

We've got two jobs here. We run cattle. We got
our truck. We're doing our own maintenance. We got 14 jobs. I appreciate this. I thank you.

To the guy that spoke about the spotted owl, I was wondering if we're the burrowed owl.

CHAIRPERSON NICHOLS: That was very good. Appreciate the fact that you all came in and were so organized. It really is helpful.

All right, ladies and gentlemen, it is now, depending on which clock you look at, I'm going to say it's five past 12:00. We'll try to be back here a few minutes past 1:00. Thank you.

(Whereupon a lunch recess was taken.)

CHAIRPERSON NICHOLS: We're back in session.

We're at 56, Patrick Smith.

MR. SMITH: Good afternoon, Madam Chair, Board members, and staff. My name is Patrick Smith, Transportation Manager for Harris Ranch.

I feel like I'm in a state of confusion today. I don't know whether I'm with Harris Ranch or I've been up here so often I feel like I'm a CARB employee.

I went to sign up to speak on the issues today, I didn't know whether it was for or against, so I signed up neutral.

But I'd like to make some comments today. I've been in the two Ds in life, diesel and dirt, since I was
15. That's been 62 years.

I sympathize with Ms. Archer and her issues making tremendous capital investment. I really haven't seen anything that offsets or rewards those that have made that capital investment to comply on time, especially with truck replacement where you've gotten the benefit of particulate reduction and NOx reduction, probably four or five years before these proposed amendments go into effect.

I don't envy any of you in your decision making process. You're at probably the most treacherous cross roads you've ever been at. It's almost double jeopardy. You've got health issues, diesel particulate. But as your ex-Board member Dr. Tellis felt, loss of one's job is a more serious health issue than diesel particulate. And that's what we're faced with today, loss of jobs, reduced emissions. How do we do all of that?

Well, mitigation. That's the word this agency likes to use quite a bit. How are we going to mitigate this?

Let's look at the facts first. You know, in our situation, we had to replace 50 percent of our fleet in the last two years. In this last 2013, we replaced 85 percent of our refer units. We are CARB compliance. So from these amendments that are being proposed and
approved, we would have a lot of issues that here we've
complied on time, but what I've seen for the offset for
those who haven't complied, there is no reward for those
who have complied. We've seen 50 percent loss in our
bottom line the last year because of CARB compliance and
maintenance issues.

Now, I can sympathize with the particulate trap
manufacturers and the installers. And in certain
applications, they work great. But you better have a
standard duty cycle. But if you have an irregular duty
cycle, you have a host of maintenance problems if you can
even keep your vehicle running.

How do we mitigate this? I don't know. But I
think there's got to be serious economic offset for all of
those who have complied. I thank you for your time.

CHAIRPERSON NICHOLS: Thank you.

Robert Van Dyke.

MR. VAN DYKE: Hello, Madam Chair and members of
the Board.

CHAIRPERSON NICHOLS: Pardon me. Excuse me. I
must stop for just a second.

We have over 100 people signed up to testify.
Maybe they're not all here, so it may not be quite so
many. But just be aware of the fact that I think we're
going to hear a certain number of the same comments and to
the extent that people can curtail their comments further, it will prevent me from having to reduce it to two minutes or one minute.

Also, I'm going to give you five minutes. If you're thinking you want to testify, thinking you might want to testify, sign up now or I'm going to cut off the list in five minutes because I think at that point everybody who has something to say will have had a chance to be heard. So that's it. Thank you.

MR. VAN DYKE: Thank you, Madam Chairman. I will do my best.

I'm Bob Van Dyke, VA farms. We are a family-owned farming and trucking company. We are compliant. We have 22 trucks of our own and utilize as many as 50 sub-haulers owner-operators at our peak time, rice harvest.

I believe you realize the decisions and rules that you've made in the past have created disastrous economic hardship on the trucking industry. But you're six years too late. This is not a fair thing to do to change a mandatory program when the deadlines are up.

I complained to the ARB about the impact this would have on the owner-operators that pull for us that most would not be able to update their trucks, let alone put a particulate filter on them.
I stated it will hurt the trucking and ag products industry, moving transportation, and there would be a transportation shortage. Their response was that there would be fewer trucks on the road, helping the environment, and those remaining we would be able to raise our trucking rates to pay for the new equipment.

We are a small company, and we were able at first to participate in assistance programs. Thank you very much, but still have spent over a million dollars to be compliant with ARB and the drayage truck regulations.

Out of necessity, a majority of our sub-haulers, owner-operators, have also gone deep into debt, borrowing against their houses, their friends and family, trying to stay in the business, the only business most of them know. These changes are not right. I never want to see a business fail or employees lose their jobs. But people that have procrastinated and claimed ignorance should not be rewarded by this new amendment.

A lot of us that borrowed and have gone deep into debt to be compliant with the current laws aren't interested in credits or extensions. But give me a tax break, a no interest loan, or an economic rebate for the good job we've done to clean up the air so that you can consider these changes and amendments. Thank you very much.
MR. WICK: Chair Nichols, Board members, thank you.

Bruce Wick, California Professional Association of Specialty Contractors. Our contractors operate all across the state as you know construction faces multiple CARB rules.

So one area I'd like you to really consider in this proposal are the low use, low mileage vehicle operations that would really help the construction industry. And Mike Lewis in the CIAQC letter April 17 laid that out pretty well for that particular issue. And I thank you for considering that.

CHAIRPERSON NICHOLS: Great. Thanks.

Mr. MacDonald. Ian MacDonald?

Mr. Beachler.

Mr. BEACHLER: Thank you, Chairman, for letting me talk.

I have never been in front of public in my life so my heart is pounding out of my chest. But I've got a passion that this is wrong. 1948, my father bought his first truck. I'm second generation. Today, I have two boys. My grandson.

Don't ask me why I'm emotional. I'm sorry.

CHAIRPERSON NICHOLS: Take your time.

MR. BEACHLER: I think about my kids. I think
about them in the trucking business. I have 15 trucks.  
Guess what? I'm complaint today. I have ten trucks that  
have filters on them. And for the people that down here  
in front that had a Committee that went around and checked  
on these filters, let me tell you what. They don't work.  
They don't work, guys. Come to my fleet and look at the  
money that I put into these filters. I can't afford to  
buy new trucks. Can't afford it. Even if I take your  
government money, I still got to pay $100,000 for a new  
truck.

We don't want the money. I never took the money.  
I was approved. I don't want the money. I want to make  
this on my own. This is America. But if you going to --  

(Applause)

MR. BEACHLER: Come to my first meeting, CARB  
meeting, in 2005. Didn't talk. I haven't talked. I  
don't want to talk now. But let me tell you what. I love  
owner-operators. I love these onsies and twosies and  
three-ies trucks. They're what makes America go around.  

(Applause)

MR. BLEACHER: But I'm sorry for them. I've  
complied. I spent five or $600,000 and I'm $700,000 in  
debt. And you expect me to stay in business with a family  
business. And I'm a penny pincher. I look for the cheap  
deals, the good deals. I buy used stuff. I don't by new
stuff. I can't afford it.

So anyway, if you checked out those, the CARB --
these filters, they don't work. Also your 80 percent
compliant ain't true. I'm a trucker. I used to go up the
Grapevine at 16 miles an hour. There was black smoke
blowing out of the stacks. There was a problem back then.
Today, we don't have the problem.

But it's like there is not 80 percent. Those
truckers in this room, they drive up and down the roads.
We know there is not 80 percent trucks compliant. There's
not.

There are people in this room right now that are
scared to death that you might find out their name because
they haven't turned themselves in in 2012.

My time is up.

Let me tell you what. Four years ago, I said I'm
not complying. You know why. Because I thought you would
change your mind. And two a half years ago I thought,
they might be serious. You better be serious because you
can't keep changing.

With my kids, I told them a rule. If I broke
that rule, I lost their confidence. And let me tell you
what. You need to stick with the rules you made and go
with the rules because you're going to break the rest of
us.
CHAIRPERSON NICHOLS: Is Mr. MacDonald here? Did we just miss him?

MR. MAC DONALD: Thank you. My apologies.

Madam Chair and members of the Board, appreciate this opportunity to share our comments.

My name is Ian MacDonald. I'm the Vice President of Sales and Marketing with CDTI, also known as Clean Diesel Technologies.

CDTI is headquartered in Ventura, California, and has supplied over 11 million catalysts to customers and car manufacturers in over 35,000 diesel retrofits systems throughout North America and Europe since 2000.

CDTI has made significant investments in support of California's truck and bus rule. And since its inception, it supported many of the preceding ARB programs.

Many of the written comments and actually many of the oral comments so far have indicated these amendments destabilize the highly competitive trucking industry, effectively penalizing those who have already complied with the rule and forcing them to compete with higher-polluting non-compliant truck owners who are afforded with a lower business cost due to their failure to comply.

We understand the intention of the amendments,
but we would urge the ARB to add further safeguards to
certain of these amendments to ensure that relief is
provided only to the intended areas and stakeholders.

    We also feel that it is essential to continue an
ideally increased enforcement action to ensure the air
quality objectives are made and flagrant disregard for
this rule is not rewarded.

    We also caution the path that used trucks can
provide a panacea in the loan denial amendment. Most used
trucks have minimal, if any, warranty coverage at the time
of their purchase. In the event they are found to be
deficient, a truck owner who uses their financial
resources to purchase the used truck prematurely may not
be able to afford the necessary repairs to the function of
the truck or simply the emission-related components.

    We feel the better solution might be to provide
loan assistance or seed funding to initiate a loan for a
distressed trucker to allow the truck to extend through
its normal useful life at expected maintenance costs while
providing compliant emissions levels.

    Ultimately, the long-term attainment of air
quality objectives will be directly dependant on the
ongoing performance of retrofit devices in in-use 2007 and
newer model year trucks. We believe it is imperative that
the Board work with the Legislature to implement a robust
heavy-duty inspection and maintenance program to ensure all vehicles remain emissions compliant throughout their service lives. Such a program ensures air quality and a level playing field for the trucking industry.

We propose a simple cost effective step might be to implement an opacity level of two percent or less for retrofitted trucks and 2007 and newer model year trucks.

In closing, we encourage the Board to direct staff to leverage our industry, our distributors, our service entities by complimenting an effective heavy-duty inspection and maintenance program with a fair and competitive heavy-duty aftermarket parts program for emission control components for heavy-duty diesel trucks.

Thank you.

CHAIRPERSON NICHOLS: Okay. Mr. Vaughn.

MR. VAUGHN: Richard Vaughn from Lake View, Oregon. I have ten trucks. I complied. I bought 2010 and newer trucks.

The problem is this emission system does not work. I can't pay to have a particulate filter boiled out and lose two days of profit. I was in Stockton. The engine light came on. They wanted $300 just to plug in the computer. They cleaned the doser valve. It was plugged up. It was $890 bill to get that one truck out for this. And I've paid the money get these newer trucks.
And now I can't afford to run them because of the cost of these failure of these filters. And that's one of my big concerns.

If you can -- if I can send you a bill when I get these bills and you pay for it like you should, then we can run here. I do agricultural products with belt trailers. We haul in and out potatoes and apples and fertilizer and everything that the farmers need, and we can't do it, bills like that. If you can't step up and help us, then I don't know what we can do. Thank you.

CHAIRPERSON NICHOLS: Bill Allen.

MR. ALLEN: Thank you, Madam Chairman.

My name is William Allen. I'm President of Amador Stage Lines, a local Sacramento bus company. We've been here since 1852 when we were run by horses and stage coaches, which might be what we'll go back to eventually.

CHAIRPERSON NICHOLS: Could you speak into the mike, please?

MR. ALLEN: Local company here in Sacramento. We've been here 160 years. Today I'm representing the California Bus Association, which has over 64 members and approximately 2600 buses in their membership.

CBA wants to thank their staff. They've been very accommodating in everything they've done. We had them at multiple seminars, our convention every year they...
come. I do think that they've done an outstanding job of educating our members in what's coming up and what the needs are and so forth.

In that case, we do feel the majority of our members are ready. They're ready to go because they are interested in clean air and also newer equipment.

We feel we are part of the solution because we take people off the road. We get them in our buses and out of their cars. And the demographics of our riders are people that are less apt to have a new car, so to speak. So I think it's a double whammy there because we're getting older cars off the road and into the buses.

You can figure about 25 cars off the road for a full bus. 56 is the biggest one we have now, and 50s and so forth. So we can figure them two to a car, you know, 25 cars off the road.

Our industry is really pretty small. There's only I think 5200 charter buses in California. And we've been talking about millions of trucks. So when you think of that, we're very small little potatoes in this mix. So less than one percent obviously.

The bus configuration is not set up for the DPF filters, the add-on aftermarkets. The engine compartment is very small, very congested with turbans and all the other parts in there that go in there. And so what
happens is they stuff these things in that don't fit. And then they generate so much heat, they create a fire danger. As we saw a couple weeks ago what a bus and a fire will do, it's very dangerous. We're carrying people, not tomatoes. It's just a real bad situation.

So what we would like to see -- we would like to see for the people that have to have these faulty devices forced upon them that they've already paid the money in good faith and now they don't work. So what we would suggest is that those people have the opportunity not to have to pay for them again and again and again, but give them a waiver so that they paid once, a lot of money, about 18,000 a piece. And then if the bus is in good order, the engine is in good order, everything else is right but the machine doesn't work, it doesn't work. I don't think they should be penalized.

CHAIRPERSON NICHOLS: You are over your time. We do have your letter. I think we understand your proposal.

MR. ALLEN: Thank you for the opportunity to speak.

CHAIRPERSON NICHOLS: Thank you. Sorry. Three minutes does go by fast.

Is Chris Miller here? Or is that -- I don't know why we have a line through the name. Sorry.

Gayle is next. I apologize.
MS. LOPOPOLO: My name is Gayle Lopopolo. I'm a partner with Jim Ganduglia and Ganduglia Trucking, a 75 year old trucking company in Fresno, California. We have 20 trucks and 17 drivers.

And I'm here to tell you folks that we are frustrated. If we're not battling federal rules and regulations, it's state rules and regulations, part of which is replacement costs for CARB truck and bus. We've got stormwater sampling. We've got hazardous waste issues. You name it. And now CARB would have us truckers battling each other with the two small carrier extensions that are included in your total amendments. And those are the amendments that I would like -- that I'm speaking about today.

And I have not heard this brought up in this way yet. Small carriers, one to three, that sounds very harmless. And I love the small carriers, too. But the problem becomes when those small carriers in the aggregate form a large pool. They have small -- they have lower cost. They farm a large pool of low rate competition that the rest of the folks previous to me have attested to. And therein is the problem is, in the aggregate, they form that downward pressure on our rates.

A lot of the small carriers work for brokers. In this day and age, our biggest competitor is the broker.
And because they are hiring the small carriers and the independent owner-operators.

Customers, I just had another customer last week totally ignore us. We've asked for a rate increase to offset our costs, as we have been complying since 2008. And we have more trucks to add in the next year, especially.

And they're just ignoring us because there's brokers out there they can reply on. Why pay more when there's somebody else out there who will do it for three year old rates. We've had rates in effect three years and all of our costs have gone up, not just for replacement cost. And they're totally ignoring us.

And passage of these two amendments would allow the small carriers to just prolong this inequity for up to three more years. That's just not fair.

CHAIRPERSON NICHOLS: Your time is up.

MS. LOPOPOLO: Have I gone through three minutes already?

CHAIRPERSON NICHOLS: Please, I'm going to ask everybody, pay attention to the lights if you could shorten your testimony. We have your letter also.

MS. LOPOPOLO: Okay. Thank you very much.

CHAIRPERSON NICHOLS: You're on record. Thank you.
Now Christopher Miller.

MR. MILLER: Madam Chair, members of the Board, thank you for the opportunity to speak today.

My name is Chris Miller. I'm the Executive Director of the Advanced Engine Systems Institute, or AESI. AESI is a nonprofit trade association of emissions control and efficiency products and technologies.

We believe the Board should be fair in making the additional changes to the truck and bus rule. ASI companies strongly support the air quality goals of the original rule. These companies are key members of an innovative industry that has delivered affordable, reliable, and effective products to help reduce pollution in California and across the nation. They've invested substantial time and money and effort in developing and testing emission control devices to help ensure that heavy-duty trucks can meet the rule's requirements on time.

Thousands of truckers registered in California and operating in the state have also made a similar large and effective investment. Retrofit filters are essentially identical to the filters in use on all new diesel engines sold since 2007. Diesel filters can remove more than 95 percent of the particulate emissions from the engine's exhaust. That saves lives and improves air
quality. These devices are in operation today and millions of engines around the world. Yet, some have wrongly attempted to blame the filters for failures that occurred in poorly maintained vehicles.

There is overwhelming evidence that emission control systems work well. They are in operation right now on every highway in the nation. We certainly understand the need for ARB to address the reasonable challenges facing small businesses. However, ARB should be concerned about the signal that the latest proposal sentenced to the truckers and companies that have already complied. They have spent money to comply with the regulation now. Delaying the compliance deadlines for others who have been slower to comply can place the actors at a real competitive disadvantage.

ARB should not tilt the playing field in a way that simply shifts cost to the truckers that have already invested in compliance or against the public’s health. California leads the way nationally and globally on setting strong health-based standards, and ASI companies have followed by developing the best control products available. The Board would be wise to disregard the unfounded and inaccurate charges about the reliability and performance of retrofit devices. Instead, the Board should focus on ways to improve maintenance and the
marketing and eliminate the marketing of sub-standard unapproved devices.

I strongly urge the Board to stay the course and reward, not penalize, the truckers and companies that have already complied with the regulation. Thank you.

CHAIRPERSON NICHOLS: Gary Gannini. Susan Jones is not here.

MR. NANNINI: I can't see the button, right.

Good afternoon. My name is Gary Nannini, owner of Gary Nannini and company, a fleet of one out of Oakdale, California. I'm 39 years an owner-operators, 29 years a livestock hauler. And I'm the last of the procrastinators. I'm good faith at this moment. But as of June, I'll have a new truck.

I was going to retire, but things have changed a little bit. But anyway, I'm making a big investment to stay in business. You must say progressive and professional in our business. If you change the rules now would be just totally lop-sided for everybody.

And my friends in the other room, I apologize because we all work together. The cattle will be moved. Everybody will get the money they want. And if they don't like the rates, that's their problem. They have to adjust it to make it accordingly.

Thank you very much.
CHAIRPERSON NICHOLS: Mr. DeVries.

MR. DE VRIES: Hi. Thank you. I am Ronnie DeVries from Bakersfield, California. I got seven livestock trucks. Been in business for 18 years. I got six brand-new ones here. Got two more next month. And I have no help with them. I bought them all myself. No grant money. It's all about working hard and staying compliant. We've all got to stick together. We can't change this now. We worked too hard for this.

That's all I've got to say. Thank you.

CHAIRPERSON NICHOLS: Mr. Slater.

MR. SLATER: Madam Chair, Board members, my name is James Slater with West Coast Sand and Gravel. We're a large California construction material transporter with the sub-hauler network of over 150 California motor carriers, most of which are small fleets primarily independently owned single truck operators.

I'm here today to represent their collective voice. According to the rule and due to the inability to enforce the rule, our company is responsible to ensure that all of our sub-haulers are registered with CARB and complying carriers. Our companies spent considerable time and resources educating these carriers on the truck and bus and went through the process in helping them get registered and inform them in many cases of their
compliance options. These carriers have gone out and spent considerable dollars, increased their monthly overhead just to comply with the rule.

Any delay is going to cause irreparable harm to these companies. And given the uneven playing field, many are concerned if they're going to be able to remain in business, let alone compete.

My company, along with these, were early compliers this agency want and need. I urge you on behalf of the independents, as well as the over 500 employees of West Coast to abandon any proposed amendments to future delays. Thank you for your time.

CHAIRPERSON NICHOLS: Mr. VanDyk.

MR. VAN DYK: Thank you. I'm a small two-truck owner-operator of like I said, a little company. All we haul is cattle 36 years. That's all I know how to haul. Never hauled anything else.

This word compliancy up until about 2006 I never heard that word before. Now it's all we hear. It makes us sick to hear it, believe me. The last thing we wanted to do was comply.

We did though. $319,000 I've spent to comply. One of the trucks -- my very first truck I complied with has been nothing but trouble. 2008, first year they came out with the particulate filter on it from the factory, I
spent another 27,000 to keep it on the road. It's killing us to have to compete with all these non-compliant trucks.

I'm here speaking specifically for the livestock part of this, the cattle part. You have a special thing for the cattle that you want to make all cattle trucks exempt. That's a broad stroke. All cattle trucks, that's all cattle trucks in North America, that's a lot of trucks. There are thousand of cattle trucks. There is no specific -- all cattle trucks. How do we compete against that? We're compliant. We're going to stay compliant.

I have kids. I have grandkids. I see this testimony showing these poor little kids. And you think of your grandkids. So we want to stay that way. We want to stay compliant. I'm sorry I'm emotional.

I don't have a problem if we change the wording on this to say not for-hire carriers for cattle. All these farmers were here earlier, the cowboy hat guys, I'm friends with most of those. Let's change the wording not for-hire carriers. Let these ranchers have their own trucks, haul their own cattle. Not a problem.

It's the for-hire carriers I have to compete against them daily. They say there is a shortage of trucks. There is a shortage of trucks. I wouldn't call it a shortage of trucks. It's tight for two months out of the year. Every ag industry is like that. There is a
season. Two months out of the year gets a little tight. 36 years I've been in business. Every year for two months out of the year, it gets like that. That's nothing new. They're trying to make it sound like it's new because of all these new laws. It's not. It's the same. We're always going to have trucks. We will always supply trucks for the ranchers. That's our only thing. If we did anything, we'd like to change the wording to show not for-hire carriers be exempt. For-hire carriers need to comply. We had to comply. They need to comply. No more extensions. Thank you.

CHAIRPERSON NICHOLS: Thank you. Greg Smith.

MR. SMITH: Madam Chairman, thank you very much. My name is Greg Smith. I'm an owner of Maxx Air or a DPF retrofit distributor. We've put on in the last twelve months about 600 DPF retrofits. Since 2009, close to 1500. Here to tell you that they do work. They work well when the trucks and the pics are done. The retrofits work.

Hearing a lot about cost as well. It is a big cost. But 95 percent of the retrofits that we put on range from about $9,500 up to about $13,500. That's 95 percent of what we put on is in that price range for the filter and the installation. I hear 20,000, 30,000, 40,000. That's not an average by any means. There are
filters that can get up that high for speciality cases. But in most cases, the costs are lower, which is still a huge cost.

The other side is we hear a lot of passionate people here today. I talk to them every single day. For the last few years, they're asking me what are we supposed to do to be compliant? We tell them what you need to do. They tell me, no, I don't have to do it. I'm not going to do it. They're going to change it. We hear crazy things. Just last week, no, they repealed the law. This law has gone away. We explained to them, no, it doesn't. We lose all credibility with our customers every time this gets put back. And CARB loses all credibility as well. And I don't believe that by pushing this back we're going to then see a smoother graduation of people over the next few years slowly doing this. They're all going to wait again until after the next deadline passes to see what CARB is going to do again. Thank you very much.

CHAIRPERSON NICHOLS: Thank you. If I could just put up an applause meter, we could save ourselves an hour at least, you know, everybody who agrees will just agree. It would be great.

MR. COATES: Hello, Chair Nichols, Board members. Michael Coates representing the Diesel Technology Forum. On behalf of the Diesel Technology Forum, we'd
like o add these comments. And we submitted a more detailed version to the Board's Clerk.

While we do not take a formal position in favor or opposed to the amendments, we believe the Board's decision making would be further informed by the latest information on clean diesel technology specific for California. Clean diesel is a success story in California. The state's a leader in adopting new clean diesel technologies is the number two state in the country with 209,000 clean diesel trucks on the road and number three in heavy-duty clean diesels. These modern clean vehicles are improving air quality, reducing petroleum use, and there are options available for modernizing and upgrading older diesel vehicles as you've heard.

Heavy-duty truck owners are adopting the new clean diesel technology. According to the latest vehicle registration for data 2013 compiled by RL Polk, 25 percent of all heavy-duty vehicles registered in California have an engine that meets or exceeds the ARB's and EPA standards for 2007. And ten percent of those have engines that meet the 2010 emissions standards. Growing adoption of clean diesel technology by vehicle owners in California demonstrates that the technology is being accepted.

You can see the attraction. For example, Class A line haul driver driving 100,000 miles a year will save
876 gallons of fuel or $3500 in fuel costs over the year. Class five delivery truck in service for 35,000 miles will save $640 in fuel cost compared to the older diesels. These savings compound over the life of the vehicles.

While the owners benefit financially, California benefits from improved air quality from the advanced emissions controls and other technologies to reduce the emissions to near zero levels.

The same Class A line haul truck reduces NOx by 1.1 metric tons, carbon emissions by 8.9 metric tons, and PM by 26 kilograms. In California, an estimated 100,000 tons of NOx and 2700 tons of PM have been eliminated from the growing population of Class III to VIII clean diesel trucks and vehicles on the road.

Meanwhile, those vehicles have saved 56 million gallons of diesel fuel and 570,000 tons of carbon emissions. This reduction is equivalent to removing roughly 120,000 light duty cars and pickups from the road for a year.

I thank you for the opportunity to present this information. I'd be glad to answer any questions you might have.

CHAIRPERSON NICHOLS: Just going back to the beginning of your testimony, you said California was number two or number three in clean trucks?
MR. COATES: Number two in Class 3 through 8 and number three in the heavy-duty Class 8.

CHAIRPERSON NICHOLS: Who is ahead of us?

MR. COATES: In the overall truck market, Texas.

CHAIRPERSON NICHOLS: Sorry?

MR. COATES: Texas.

CHAIRPERSON NICHOLS: All right. Thank you.

Tony Fisher and Terry Rapoza.

MR. FISHER: Good afternoon, Madam Chair and members of the Air Resources Board. I'm Tony Fisher representing the Coalition for Clean Air.

We appreciate the opportunity to comment on the proposed amendments to your truck and bus regulation. As some of you may know, I had previous experience in controlling air pollution while manager of Numi's environmental affairs, which included an environmental air permitting along with regulatory involvement in vehicle end-of-line emission testing.

While controlling air pollution at stationary sources can be done with a combination of technology, reducing diesel emissions on existing vehicles is primarily done through abatement. We support a cost effective effort to require that older diesel trucks be either replaced with newer models or retrofitted with particulate filters because this will cause significant
reductions to top priority air pollutants like PM2.5 and many carcinogens.

Also, we appreciate the past effort ARB has made in securing the estimated 650 million in public funding in assisting companies to clean up their diesel trucks. And we recommend that ARB continue to find measures -- find moneys rather to help fund cost effective diesel truck replacements and retrofit technologies that will be required in the future, especially for those truckers which are financially struggling.

Finally, we would like to emphasize that reducing diesel emissions is not only important because of their associated harmful particulate matter and carcinogenic pollutants, but also because of the sizable population who were adversely effected by inhaling such contaminants. The estimated percentages of -- the estimate percentage of those in the US who have asthma, non allergic rhinitis and/or chronic obstructive pulmonary diseases is around 20 percent. This extrapolates to approximately 7.5 million people in California.

Also, if diesel emissions are not properly controlled, many truckers who do not have such respiratory disorders now may in time due to the inhaling of diesel fumes acquire or be affected by any of these three incurable medical conditions or lung cancer itself. Thank
you very much.

CHAIRPERSON NICHOLS: Thank you.

Terry Rapoza.

MR. SMITH: Terry had to leave. I'm RJ Smith, number 91 on the list. I'm taking his spot.

I own Solid Rock construction out of Redding, California. I have met with the Board, came up to Redding and met us. And I do appreciate them taking an ear and listening to our complaints about that. I'm friends with a lot of the local truck drivers that are for hire in Redding. The exemptions, all for having exemptions put in there, because I'm anxiety not for hire. And my trucks barely turn 5,000 to 10,000 miles a year.

I'm a low use contractor. I'm a directional drilling contractor. My trucks show up to the job site with a drill on the back. They drill across the highway. They may be there four or five days, even three or four weeks on one job site and never move. So the trucks don't turn that.

I understand there are competition with the rates and all that stuff, but that doesn't apply to us non-not-for-hire drivers. I've got three vac trucks that to replace those to get them CARB compliant right now is about $300,000 a piece. And we cannot afford to buy -- it's not like you can go down and buy a fifth wheel truck
and for $120,000 put it onto a trailer and pull it. We have specialized trucks for specialized jobs just like the crane people do.

It's critical we keep the low use exemption in there for especially for us not-for-hire contractors and truck drivers.

Also, we're all pretty much adults here I think. That guy that put that picture up there with that baby on that thing pissed me off. And that to me had nothing to do with this issue. That was political crap that we have to hear all the time.

Keep it above board. Keep that guy out of here because we don't want to listen to him anymore. Like I said, these other truck drivers have expenses they put out of there. I understand that. I understand it with my whole heart. I can't afford to go out there. My trucks do not meet the compliant.

I'm registered with it. We put our trucks on the registry. But my trucks are not old enough to even they can't have the filters on them. But they don't travel over 5,000 miles in the year. We need to keep this part of it in there. It needs to be 10,000 miles. That was my recommendation before. That's all I have to say.

CHAIRPERSON NICHOLS: Thank you.

Syliva Milligan.
MS. MILLIGAN: Yes. My name is Sylvia Milligan, and thank you for hearing me today. And I like clean air. I like clean water. I like all of that. I have grandkids. I taught school. I know how important clean air is. And I appreciate the fact that you guys have gone so far out to take care of this.

But living in northern California, I don't own a truck. I don't operate a truck. I do however use goods delivered by trucks. I'm a retired senior. I cannot afford any more increases in rates and costs for the goods and services that we get. And my heart goes out to these people that have spent all of this money to either retrofit their trucks or buy new ones.

And then when they call those that have not gone to this expense rogues, that breaks my heart too. Because being from northern California, we have many, many families up here that have trucks that are busting their fannies to keep food on their table. They're not rogue. They don't have the money to do it.

So this extension is a God send. And I wish you would look at attrition. Attrition for them is the only way to survive.

Also I've listened how many times today to people say that these filters are safe. Where I live within a seven-mile span of highway, we had three of them burn up
in November. You just had a tour bus burn up on I-80 down here by Fairfield. We don't know yet if that FedEx truck and that bus was the cause of a filter fire. If it is -- we don't know that. If it is, with all those children that were burned, let me tell you, each one of you can be sued individually. And I would be concerned.

I just hope that you take into consideration the rural areas that don't have the kind of the money that you have down here. We don't have the economy. We don't have the jobs. But we still have the people that are trying to stay off the welfare rolls and they're trying to support their families. And I hope you take that into consideration.

And it also makes me realize the more I heard all of this thing to date how important it is for us in the north state from Sacramento northward to get the state of Jefferson. Thank you.

CHAIRPERSON NICHOLS: Sally Rapoza.

MS. CRAMER: Sally had to leave. I'm Pat Cramer.

CHAIRPERSON NICHOLS: Are you signed up?

MS. CRAMER: Yes, I am signed up.

CHAIRPERSON NICHOLS: Okay. Somewhere else.

Okay

MS. CRAMER: 126. I think I was here about 15. Somehow I got to be next to last?
I'm Pat Cramer. A lot of you know who I am. I've been involved with this since December 5th, 2007, when Mr. Brasil came to my office in Anderson, California. At that time, I told him this will not work, Tony. It cannot work. You cannot devastate this state like this. Oh, yes, we can. And this is the way it's going to be, Pat.

So now, here we are seven years later, folks, and now you've got it so convoluted, so screwed up. You got the trucks fighting each other. You got nobody knowing anything about anything. You don't even know what your rules are. There is no way that our trucks can be compliant.

One construction truck is exempt. The next one is not. One cow truck is exempt. The other one isn't. We get a million dollars in Shasta County for log trucks and say Sierra Pacific Industry gets seven out of them out of 16.66. Fair? Absolutely not. There is nothing fair.

So I'm really on the fence about the amendments. A lot of the people who spoke here are my clients. I do business with them every day. The guys who have spent the money deserve tax credits. The guys who have no money need help. But not when you're giving the money to huge companies. You don't set it aside for the little guy who can't help himself, who doesn't have the money, who's
barely making it and then give it away to Sierra Pacific or companies who have 150 trucks. It isn't fair. It isn't right. None of us can stay in this business.

Like I said, I know a lot of these guys. Seven years ago, the cart got way before the horse. You didn't have your numbers. You didn't have the information. Today, I listen to these numbers that are absurd. Absolutely absurd. Where the heck they come from is beyond me. 270,000 trucks in California? Give me a break. 670,000 trucks from out of California. Give me a break. They're absurd they're so ridiculous. 250 trucks a day run up and down I-5 past the Cottonwood scales, and you're going to tell me there's only 67 out of state trucks in this state. Where do you guys get these numbers?

The gentleman before said we got my numbers from the DMV. We know 25 percent of trucks are 2010 and are compliant. He doesn't know that. There is nothing at the DMV that tells you whether that truck is complying with anything. I deal with the DMV. I do registration for trucks. And I know their numbers are wrong. What are we going to do guys? You've got these guys fighting each other. The rates have not gone up. They're in trouble. Please do something. And I don't know what to tell you to do.
CHAIRPERSON NICHOLS: All right. Then thank you.

Your time is up.

Bob Ramorino.

MR. RAMORINO: Good afternoon, Madam Chair, Board members. I'm Bob Ramorino, President of Roadstar Trucking in Hayward, California, a third generation family company started in 1959. We have 21 company trucks about ten independent owner-operators, about 40 employees.

We have financed four retrofits long mile, which are not operational anymore. The rest all new equipment.

In our experience, the new equipment has performed very well. We had a few censor problems. But other than that, our reliability is outstanding and fuel economy is better.

The financial side has been more difficult. I testified to that back in the 2008 hearings I thought it was going to be a problem. In our case, we had to refinance properties in effect spreading the cost over 25 years on property for an asset we're going to run seven, maybe ten years. From an economic standpoint, not too good of a decision, but we're truckers.

In addition, we are about midway in a six figure credit line and dangerously close uncomfortably close to the limit. Until four years ago in our 55 year history, we never even had a credit line.
We've done a lot of work with our shippers trying to educate them on this. And I'm going to bet there is no shippers represented here, which I find very strange. As a major stakeholder in goods movement, I think they should have been more involved in the process. They don't understand anything as far as their responsibility I think to help truckers, and they're not going to increase rates until they can't get a cheaper rate somewhere else.

So I'm opposed to the loan denial exemption. I'm opposed to the small truck exemption. There is a shortage in our industry, a pretty serious shortage, of classified truck drivers, qualified truck drivers. There is not a shortage of clean trucks.

And the truckers that can't make it now, if you give them an extension, they're going to be in the same financial position 12 or 24 months out. They should come and work for companies like mine, and they would possibly be better. So I thank you for your time.

CHAIRPERSON NICHOLS: Mr. de Carbonel.

MR. CARBONEL: I've been here before. I'll probably be here again.

Two things. You have a cap on the working truck category of 20,000 miles annual. That's not enough. It should be 30,000 because 20,000 is not workable. And by your own numbers, you estimate 40,000 is the actual miles
used. So giving us 20 is splitting the baby. I don't think that's a very good idea. We need to go higher than 20. I know it got moved up another five from 15, but 20 is not enough.

The other thing I'd like to address is I'm with the concrete pumpers. We're kind of like snowflakes. We're unique. We always seem to get left out in these categorizations. Now you talked about cranes here, but you haven't talked about concrete pumps. We have the same issues on safety and OSHA and everything else the crane guys do with stability. We have the same issues in terms of value of the chassis where you have chassis that run over a million and a half dollars. We don't have real estate or enclosure space to handle a new truck or a new engine. We have computerization between the concrete pump and the truck. So we're not people who buy used equipment. We're people who buy new latest available technology. We can't afford to do that in this economy. You can claim it's increased our projections are no more than seven percent increase in the California economy over the next three years.

So I do want to be I guess sort of included in the crane thing, but we have one additional problem, which I've made on more than one occasion I made it very clear to everybody we do not operate our equipment nearby. We
are operated entirely off of a radio remote for any number of safety reasons. So we're not around to watch a little light change in the cab for a filter problem. And that has not yet been addressed.

So I'm assuming that I'm going to have it addressed very soon because this is not going to be a condition that we can live with or people that work with us will live with. Thank you.

CHAIRPERSON NICHOLS: Elizabeth.

MS. SANCHEZ: Good afternoon, Chairman Nichols and Board members.

My name is Liz Sanchez, a Senior Vice President for First Student, the largest school bus contractor in California.

First student has already submitted comments. However, I want to talk to you about a couple things in particular. When considering our comments, the Board should be aware of two factors. First, private school bus contractors operate under dramatically different business model than do most other mobile sources regulated under this rule. We typically have to bid on requests for proposals written by school districts and our locked into contracts that generally run five years but sometimes even longer, up to ten years.

Once we are locked into these contracts, it is
contractually difficult and almost economically impossible to change buses or emission control device systems, particularly when we are down to the last two years of a contract. There simply is no time to pay off the capital investment, and we have no guarantee that our contracts will be renewed.

Second, the economic hurdles and issues that are driving your staff's recommendation to extend regulatory flexibility to the trucking industry apply equally if not more so to the private school bus industry. Here, I'm particularly referencing two staff proposals to extend credits until January 2018 for: A, fleets that have downsized from their 2006 baseline; and, B. companies that have invested in fuel efficient, alternative fuel, and electric vehicles.

First Student is not asking for special treatment on these extensions, only treatment equal to what staff is proposing for the trucking industry. As we estimate, there are approximately 6,000 private school bus operators in California. And that most of the buses are already in compliance with the rule. Providing this equal treatment to a small but important sector of our economy will not significantly impact your overall environmental goals.

To elaborate on this point, the costs associated with retrofitting a school bus are at least as great if
not greater than trucks for numerous reasons, including but not limited to the following two quick examples. First, large rear engine buses require a dual remote system with one in the back of the bus for maintenance and the other in the driver compartment.

Second, the smaller A and B type buses that are commonly used to transport special education students have less lateral space and vertical ground clearance under the bus to accommodate the filter. Because of these different physical configurations, it took longer for the aftermarket industry to develop some compliant that were certified by the agency. By the time they were approved, we had already signed contracts.

In short, we believe that the private school bus industry operates on a different type of contract model with most other trucks and buses and ask that the Board recognize and accommodate our circumstances. It really makes no sense for us to install filters on a bus when we're going to replace them in a couple of years. If we did that, we're going to keep them longer. And it doesn't satisfy really what we want to do here and that's clean up the air.

So I really appreciate your time. And I look forward to answering any questions.

CHAIRPERSON NICHOLS: Thank you. We are coming
down to the last 40 or so witnesses. We have about an hour really allocated for all of this. So I'm either going to have to shorten the time to two minutes, which I probably should do anyway, or ask people if you're going to be -- if you're one of the folks who wants to tell us that you complied and that you don't think that we should be amending the rule to give other people more time, if you could indicate that that is what your message is.

You know, we've heard a lot of different stories about why and how people complied. We understand that most people did it not cheerfully, although some did. But generally it was a hardship in any event. And they don't think that others should be allowed to get more time or other consideration. If that's the position you're advocating for, can you raise your hand and let me know? Can you give us a show of hands of how many of those folks are out there? I only see two. So we may have heard from most of those people already.

So then the rest of you who want to speak have other parts of the rule that you want to talk about? Other aspects.

(Inaudible audience speaker)

CHAIRPERSON NICHOLS: That's really effective. That's going to make a big difference.

We're going to have a two minute limit then that
we'll adjust the time limit down to two minutes. Sorry. You're caught under the new rules. Next.

MR. DORSA: Madam Chairman and members of the Board, my name is Tony Dorsa. I'm here today on behalf of the Unified Contractors Association. This is a group of 400 contractors and contractor associated companies in the Bay Area and Central California and Northern California.

And first of all, we'd like to commend staff for the effort that they've made, number one, in making the distinction between long haul trucking and construction trucks. The work truck provisions that are being proposed are very agreeable to us, and we thank you for making that distinction because they are different. We don't use -- we don't generate the emissions that the long haulers do. We simply don't.

And the other thing that I would like to bring up here today without dropping a bomb is we would like to make sure we have our emissions numbers correct. We don't think that the estimates represent the factual basis what the emissions actually are. And we would like staff to tell us what they are, because we don't know. And if we are below the emissions levels that were projected or estimated, then I think that as compliant contractors, we should be entitled to a dividend or a credit or something going forward for keeping the emissions from the millions
of dollars we've spent and bringing our fleets into compliance.

And I thank you very much for the time.


By the way, people, if you could look up on the Board there and be ready when it's your turn. It's taking us at least three to ten seconds and sometimes more to make the transition between people. So if you could be ready to get up when your time comes, that would help.

Thank you for doing that. Appreciate it.

MS. GROTE: Good afternoon, Madam Chair and Board. My name is Lisa Grote. I'm the President of Be CARB compliant. We are a consulting company that manage over 400 fleets. I'm happy to say they are all compliant.

I would like to shift the focus onto enforcement. Most of the complaints that I receive from stakeholders are that city and county entities continue to hire non-compliant contractors. I really think this needs to change. These people are spending a lot of money on being compliant. And to lose contracts to someone that is not compliant obviously is not right. I would be happy to even come back up here on my own dime to help put some kind of a program in place.

CHAIRPERSON NICHOLS: Thank you. Good and new point.
I'm going to ask people to line up now. This is the only thing that's going to help us. So next after Lisa, Skip Brown, Fred DeBoer, Doug Rocha, Kathryn Phillips, Zack David, if you could be waiting in line when your time comes, this is going to help us a lots. Thanks.

Mr. Brown.

MR. DE BOER: Fred DeBoer.

CHAIRPERSON NICHOLS: What happened to Skip Brown?

MR. DE BOER: He's not here.

CHAIRPERSON NICHOLS: Yes, he is.

MR. DE BOER: Anyway, just real quick. We're compliant 30, 60, 90 percent all that good stuff. You don't want to hear about that anymore.

I just have a real small thing about the livestock. That's all we do, 17 trucks hauling livestock. I have a little bit of an issue over this allowing all the livestock haulers to not be compliant as to then every different truck in a different part of the trucking industry could essentially take their truck that is non-compliant and turn it into a livestock hauling truck then be compliant. And the Cattlemen's Association has a situation where they say there is a shortage of trucks. And I think due to that point, there may be a livestock truck for every cow in the state of California. Thank
CHAIRPERSON NICHOLS: Thank you.

MR. ROCHA: Good afternoon. My name is Doug Rocha. I'm a third generation trucker. My grandfather started in 1924. We've been doing this for 90 years. We put our heart and soul into everything we do. We do it right. And we always have. And it's really disturbing -- my father, I'm sure you know Ed Rocha, a lot of people know, he couldn't be here today so I'm speaking for him.

We've done everything we needed to do. There is not a shortage of cattle trucks. These guys that say they can't put a filter on or they can't afford to put a filter on, we've been doing this -- we've known this is coming for six years. If you put $300 a month away for six years, you got a filter. I pay $2500 a month for a new truck. So you have to look at the situation we're in. You pitted us -- we're battling each other. We all work together. We've always worked together. Everybody has a good relationship. But now you've pitted us together and it's turn into a battle. And I don't know how you're going to straighten it out. You guys have to look at yourself in the mirror and make the right decision. And it's going to be a tough one.

These amendments, they're bad for business. They're bad for California and they're bad for the
environment, which you guys are trying to protect. Thank you.

CHAIRPERSON NICHOLS: Kathryn Phillips -- is Zack David here? Zack David? I'm going to cross you off the list if you don't speak up or raise your hand or something.

Diane Bailey, Steve Weitekamp, Tim Smith.

MS. PHILLIPS: Kathryn Phillips with Sierra Club California.

I'm actually the daughter of a trucker, but I also represent about 150,000 Californians who live in every part of the state. The thing we're concerned about is that this new proposal would suggest that now people who live in some rural areas where they can still have exposure to air pollution are suddenly going to have to wait a couple more years before their exposure is reduced. I want to urge you to reconsider your proposal to weaken this rule.

On a personal note, I think I'm one of a lot of people in this room who gone through this rulemaking and the diesel improvement rules over the last decade or more and are very anxious and understand that we need to do something now to reduce emissions to especially reduce exposure to particulate matter and other pollutants. And it is the right thing to do for us, but it's the right
thing to do for our kids and future generations. So thank you.

CHAIRPERSON NICHOLS: Thanks, Katherine.

Zack David, Diane Bailey.

MS. BAILEY: Good afternoon, Chairman Nichols, members of the Board, and staff.

My name is Diane Bailey, a senior scientist at the Natural Resources Defense Council.

Like Kathryn Phillips said, I, too, along with other many advocates in this room have worked very hard with all of you from the beginning of this rule when it was just a rulemaking back in 2007 and onto implementation. And we're very pleased with the progress of the rule. And that's why we're here today asking you to continue your commitment to implementing this very important rule.

This is really a pillar of public health for all of California. The diesel truck reg cuts toxic diesel soot by 80 percent from the very largest source of pollution in the state. So it's a priority for us.

And I want to point out as you've heard so many times today the vast majority of trucks in California already are complying and we salute them. We appreciate their efforts.

We're concerned about truck driver health. Truck
drivers are at the front lines of exposure to toxic diesel pollution from trucks. Back in 2007, NRDC did a study where we placed air monitors into the cab of trucks to look at what their exposure was like. And we found exposure levels up to four times higher for the truck drivers in those trucks versus the average urbanized levels that we were picking up of diesel soot.

So we're concerned about their health, and they will not see improvements to their health until all of the fleet cleans up. We have seen a lot of improvements in air quality over the last decade, thanks to this agency's rulemakings, but we have a long way to go.

We need to stay on track to eliminate diesel pollution as quickly as possible. We would like to see a continued commitment and more vigorous enforcement and outreach to truck owners. We've seen a lot of studies that have shown air pollution in some of the most polluted areas in the study cut by half over the past few years. That is tremendous improvement.

But I want to draw your attention to a cigarette. If you cut it in half, it is still harmful to your health to smoke.

I thank you for your continued commitment to this rulemaking.

CHAIRPERSON NICHOLS: Thank you. Okay.
Steve Weitekamp, Tim Smith.

MR. WEITEKAMP: Good afternoon, Steve Weitekamp, California Moving and Storage Association.

First of all, I'd like to thank staff for their listening sessions and for actually listening and adjusting what was previously an unfair construction only extension to more broadly encompass other vocational trucking options.

And I'd ask that you look further at that to include Class 8 trucks for moving and storage industry as we, like construction, are permitted by the state of California through a licensing process and have been equally impacted by the economic conditions. If you don't built it, we cannot move you into it.

We are in favor of increasing the mileage exemption and the flexibility option. And like others have said, our industry is ripe with scofflaws. I would encourage you to have strong enforcement of any regulations that you move forward with to protect the legal and licensed operators within the state of California. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Tim Smith.

MR. SMITH: Thank you, Board. Tim Smith from the Central Sierra Mining Association. I haven't heard much
from the mines today. There are two fundamental industries in the United States and in the world: Agriculture and mining. Trucks move both of those commodities from both industries. They’re critical to the industries.

My main reason to be here today is to ask for the exemption for those foothill counties that do not produce pollutants to the extent the other counties do. I did the research. We have not had one issue of unhealthy air in any of those counties, except for a small area in Kern County from 2002 to 2009. We do not have unhealthy air up there. There is no reason to punish those small trucking outfits which are critical to our small miners up there to move their materials and we need to get exemptions for them.

I think a classic example of what has happened here is unintended -- well-intentioned unintended consequences of bureaucracy getting involved in a private business when they didn't know what they were doing to begin with and then imploding that industry and that business by continued -- not dictum. I won't say that. But dithering is the word I'm looking for. Continued dithering with the rules. People that have paid should not have be punished with the competition of people who haven't paid. But those who haven't paid, haven't paid
for a good reason. I know a lot of those truckers. I know the loggers. I know the cattle haulers. And I know the miners that cannot afford the price that you're asking them for small businesses.

So I ask you again to exempt those foothill counties, Nevada, Amador, Calaveras, Mariposa, Tuolumne, Imperial Valley, Mono, Kern, and Inyo.

CHAIRPERSON NICHOLS: Good memory. All right. Larry Alegre, Tony Luiz, RJ Smith, come on down.

MR. ALEGRE: My name is Larry Alegre, Lawrence Alegre Trucking, 24 truck operation out of French Camp. I'm opposed the amendment. Not because they didn't do it and I did it. Because I have to be compete against them.

And I questioned there is a bunch of money out there on the cap and trade. Why can't we get some of that?

And then in addition to that, I just think you guys are really trying to keep the attorneys busy.

MR. LUIZ: Ms. Nichols, I'm for the amendment. I'm against the regulations. Since 2007, I've been coming up here and talking to you guys about it. It wasn't right then. It ain't right now.

As far as the reliability of these filters, they're unsafe. They're unreliable.
I have a question for you since you only gave me two minutes. Last time you I was up here, you guys reduced it again. I took offense then. I'm taking offense again today because, you know, after 30 years of being in business, you're giving me two minutes. I spent overnight, money coming over here and you give me two minutes to talk.

I have a question for you. These filters, have they been okayed from DOT? Have they gone through the review of safety and the transportation, the federal Highway Transportation Department? Have they been okayed, the placement of these filters, the heating?

CHAIRPERSON NICHOLS: The answer is yes.

MR. LUIZ: Where did you find that? Because I've looked. And I have not found any place where they've gone through a peer review or accident review or anything on the safety of these filters.

CHAIRPERSON NICHOLS: All I'm telling you is they have whatever certification they need for state and federal agencies. And I'll have to refer you to staff for any underlying studies.

MR. LUIZ: They don't know, because I've asked. That's why I'm asking you.

CHAIRPERSON NICHOLS: I just told you.

MR. LUIZ: Well, there is no place. There is no
place that anywhere that I can find or anybody can tell me, not even your staff, can tell me if they've gone through peer review for safety. Not for how well they work for cleaning the air, but for safety.

CHAIRPERSON NICHOLS: You couldn't use it if it hadn't received its permission to be used. That's the law.

MR. LUIZ: Really?

CHAIRPERSON NICHOLS: Yes.

MR. LUIZ: I hope you're right because if it comes down -- if it comes down --

CHAIRPERSON NICHOLS: You're going to sue me. I know.

MR. LUIZ: -- any of these fires is committed, you know, you know. But you know, I want to tell you everything that's going on now, the controversy between everybody in here fighting among themselves. I told you so and other people told you so in 2007. So I'm going to tell you the same thing my dad told me when I made bad mistakes when I was a kid. I told you so. And you're going to keep having problems.

CHAIRPERSON NICHOLS: Thank you. Moving on.

MR. SCHRAP: I figured three minutes was actually too good to be true.

Thank you, Board, Madam Chairman. My name is
Matt Schrap. I'm with California Fleet Solutions.

CHAIRPERSON NICHOLS: The mistake I made was I should have made it two minutes earlier. That was a mistake.

MR. SCHRAP: I took some bets and I lost. But now the time has passed.

As my time ticks away here, I would like to bring something to the Board's attention that, you know, these rules have been going on for quite some time. And clearly, there is a lot of controversy surrounding these changes at this point in time.

The one issue that we've taken away from this is a truck isn't a truck isn't a truck. When you're talking about a construction truck in a specific vocation as opposed to a for-hire commodity over-the-road type of guy, the economics are different. I think staff has done a good job in differentiating between the two in the latest amendments.

There are a couple provisions that go too far. I will tell you from my colleagues at the CTA and NATA and the YMCA, everybody feels the same way about one provision in particular. The loan denial provision is being used to put together folks who generally cannot afford to achieve this compliance level and those who just don't care. We've all experienced that. We've all heard from folks
out there that I'm competing with guys on a daily basis. I'm watching my loads being taken by other carriers.

The one thing that sticks out to me about the loan provision, granted, we've had discussions with staff. We understand there needs to be a high bar for entry. The problem is that allowing folks to just opt into it through truckers by January 31st, 2015, gives us another eight months or so of people who could be skirting the system and don't necessarily deserve any type of consideration.

I know there are enforcement provisions that exist for financial hardship, and I think trying to put the chicken before the egg, especially coming from a finance company perspective, it might need a little more thought out perspective. So we're looking forward to the 15-day changes. It's a tough market out there.

As a top Cal Cap lender, we have over 1550 loans enrolled in Cal Cap, far eclipsing our closest competitor. Seventy-one percent of those guys are single truck operators who are competing with folks who haven't done anything.

So we assure you that we can back up those numbers. And we look forward to 15-day changes when we testify or at least submit our comments as well.

Thank you, Madam Chair.

MS. BOILEN: I'm Leona Boilen, but I want to
yield my time to Betty here because I think she has something more prevalent. She might not have time.

MS. PLOWMAN: I don't mean to confuse you. I yielded mine to Joe later. So I'll get it over with quickly.

Thank you all for this opportunity and these amendments. Todd, you went through some hell, didn't you, at those workshops. But I'm glad where we're at.

The people that haven't been able to afford them were not all the deadbeats. We've been through tough times.

I'm going to veer off completely and give you another example of something that's happening now. And that is with our water trucks. As you know, California's been declared a disaster because of the draught. It's going to be critical that we're able to use recycled water to job sites for dust control or we're not going to have any construction projects.

So I would ask that at some point we can work together with staff to see what we can do to increase perhaps in an emergency situation extra mileage it is going to take those water trucks to be able to get to the nearest water recycling plant. That's all I have to say. Thank you.

CHAIRPERSON NICHOLS: Thank you. And thanks for
having stuck with us all this time. We're already looking at that draught issue. So appreciate your mentioning it.

Garren Fain, Chris Baker.

MR. FAIN: My name is Garren Fain, owner of G. Fain Trucking. I'm here with my dad, Don Fain. Single owner of one truck. My dad has two.

I'm not here to comment on who's compliant and who's not compliant. I'm here to simply ask for the extension. I've been in trucking my whole entire life, same with my father.

Since the 1970s, my family has done nothing but help build the state of California. We used to be the big guy with all the trucks in the '70s and '80s and '90s building the highways and the airports and the jails and the prisons and the stores and the churches and the preschools and fire stations, highway parole stations, the sheriff stations. We've done nothing but help build this state of California.

We sold off all the trucks and now we have a single truck and two trucks. I'll asking for the extension because I was denied the loan. I was denied a loan. I don't have 1700 trucks. I don't have 500 trucks. Our carbon footprint on the state of California is minimal compared to what I've heard today. So all I ask is to give the extension for those that actually need it.
I've been around the diesel engine for 25 years --
I've been working for diesel engines for 25 years of my
life. And I'm really glad -- I'm glad I get to tell you
to your face, Ms. Nichols, that I don't appreciate your
trumped up science to get all of this to pass. Whether
it's all crap is what I'm going to tell you. Okay. I've
been around diesel engines my whole life. I don't
appreciate what you guys are trying to do to something
what my family has always done and that is help build the
state of California. All the trumped science and all your
fake scientists and all that, that's effecting guys like
me.

I have three teenage kids I'm trying to put food
on the table for. I'm not trying to run 1700 trucks.
There's a lot of safety issues at that. I chose to be
safe rather than big. Thank you.

CHAIRPERSON NICHOLS: Are you Chris Baker?

MR. BAKER: Yep.

I just would like to say I've been in business
for 32 years. Small trucking company. I have two trucks.
I buy and sell hay and haul hay. That's all I you do.
Agricultural products.

You know, we're in a lot of dry fields where we
have a lot of high fire danger with these filters mounted
under our trucks that can cause a lot of problems.
The cost of these filters give us an additional ten years to run these trucks. And then we have to reinvest 350, $450,000 at the end of that period of time, which is five to six years before I retire. That's not an investment I really want to take on.

You know, the impact of what I do is going to be into the feed industry, cattle, sheep, horses and other type of livestock. We travel 70 percent of our time out in exempt counties, not in the non-exempt counties.

I own very specialized equipment. They're cab-over trucks. Not available anymore. We cannot put the retrofit motors in them and keep them cool. Everybody I've talked to says it's just not available on their technology.

These trucks would normally last until I retire 15 years from now. You know, the suppliers that I deal with have told me they won't sell me their hay now because I'm not compliant. So I'm out of business on two sides. Not just one.

I see rates actually lower by a lot of the larger companies than the smaller. The smaller guy needs more to survive. We don't usually work cheaper than the larger trucking companies. You know, this is a financial impact on me. For over 15 years, if I start today, by the time I get done paying for the filters, I run these trucks until
their life is over when you allow me to get rid of them, give them away basically. And then I have to start over for five to six years of life in those new trucks that I have to then get rid of when I retire. And I move for ag exemption.

CHAIRPERSON NICHOLS: Okay. Heather Grass. Are the other people all not here?

MS. ROGERS: My name is Doreen Rogers. I'm with Jeff Rogers Trucking. And I'm here to ask for the 30,000-mile exemption that will allow me to continue to make some dollars so I can get compliant and do what you ask me to do.

CHAIRPERSON NICHOLS: Thank you. Anybody else in that group? If not, let's hear from Ms. Moritz.

MR. WRIGHT: Hi. My name is Richard Wright from Redding, California. I'd like to address an underlying issue that has not been brought up today.

In August of 2013, the Health Science and Technology Committee issued a subpoena to the EPA to the administrator to produce the data that their original particulate designation 2.5 was based on. They have been trying for two years to get the data. Finally, very recently, Administrator McCarthy fessed up to what many of
us in this room have believed for years in that not only
can the EPA not produce that data, they never had the data
to begin with. And this is the Harbor Six Cities Study
and the American Cancer data that the particulate 2.5
science was -- so-called science was originally based on.

The diesel particulate rules that you have
promulgated are based on that same science. I, for one,
would like to know how these regulations are going to be
allowed to stand when the science is totally in question,
if not fraudulent to begin with.

In my opinion, at the very least, you owe the
people of California an apology. And implementation of
these regulations I believe should be frozen until the
science can be publicly peer reviewed.

CHAIRPERSON NICHOLS: We'll have some
conversation about this at the end of the meeting. But
we're trying to get through all the witnesses. So we're
going to let all these comments go, whether we agree,
disagree, whether they're polite or whatever. It doesn't
matter. Just go ahead and say your peace.

I think we're now up to number 100.

MS. MORITZ-ERB: My name is Stacy Erb. For 27
years, we have transported horses. We have gone to all
your meetings down south.

Beth White, December, you were supposed to call
me because you didn't want to talk publicly about what was
-going on. I still haven't got that call.

December, four days before you guys decided that
you were going to give the extension we signed the paper
on our house. It was more important for us to have our
business than our house. We lived in that house 28 years.
Raised three kids. So now we're in a rental house.

You people can't make up your mind what you're
going to do. Yeah, I know it's funny, isn't it? I don't
find it that entertaining.

Now we got to worry about if we're going to have
a business or not? The EPA doesn't even stand behind you
guys. And you want to push this crap through? How much
more are the people of California supposed to take? We
have almost lost everything because of you. And you've
got these big companies in here sitting here saying how
many millions of dollars they've spent. You gave it to
them. You wouldn't give us a damn dime. How much more
are we supposed to take? Where do you think we're going
to get the funds from?

Unemployment is 8.3 here in California. There is
no way in hell me and my husband are ever going to work
for these companies that are promising needing drivers.
There is a reason why they need drivers. I'm done.

CHAIRPERSON NICHOLS: Joe Varozza, Tina Comer.
MR. VAROZZA: Thank you for hearing our questions today.

I'm like with many others. My truck is a 2006. Has the sticker on the side of the motor that says it is CARB compliant. So I feel that my motor is CARB compliant. When they implemented the smog on the automobiles in the late '70s, early '80s, they didn't go back to the cars that were built in the '40s and '50s and the '60s and make all these people put catalytic converters on their cars. They grandfathered them in.

The bulk majority of the trucks that run up and down the road, Swift, Warner, Schneider, Hunt, they turn their trucks over every two, three years anyways. They're always going to be updating their trucks.

When you take people have speciality trucks, I transport heavy equipment. We run beef cattle on our farm. I can haul gravel with my belly dump. I have several things I can do. I'm not just a cattle truck. I can do -- any fifth wheel truck, any fifth wheel semi is not a cattle truck. You can do anything with it. Maybe that's all they do is haul cattle. But it's not designated to that.

So I think you need to take a look at the science. I'm 39 years old. I've been around trucks since I was four years old. We bought our first truck in
Stockton, California. Brand-new Kenworth. I've been around them. I've worked on them. I can do a wheel seal. I can do brakes, put a rear-end in them, drive line. When I break down on the side of the road, I don't call a mechanic. I can usually do whatever it takes to get home myself.

So if they found the levels in the cab of the trucks, the diesel, the drivers to be four times more susceptible then if you know a lot of these truck drivers you see going up and down the road are 60, 65 years old, they're older guys ready to retire, how come they're not dead? That should mean the kids -- if it's four times less likely, that should mean the children should live to be, what, 280 years old? So until there is proof in the science, I don't understand it. Thank you.


MR. STILWELL: I guess I drove 15 hours and all night for two minutes. All of us truckers, we work 14, 16 hours a day overtime. Why can't you guys work a little overtime to hear us properly?

CHAIRPERSON NICHOLS: Take your time, sir. What do you want to say?

MR. STILWELL: Anyway, I'm a product of just
throwing my hands up and saying screw you guys. I'm not coming to California. I grew up in Eureka, California. Own a company called Redwood Auto Transport and I just said, I'm not going to deal with it. I'm not going to comply. I'm moved to Idaho. I haven't been back to California since. Said you're not going to get my tax dollars. You're not going to get my road tax or anything. And actually, I should thank you guys because 2012 when I was running 75 percent of my time in California, I grossed $130,000 on 90,000 miles. And now that I moved, I grossed $135,000 on 50,000 miles. So you guys are killing yourselves.

This is another auto transporter -- independent auto transporter from Humboldt County. The only thing we have to export is weed. And so anything else that's legal to export has to come down through to -- everything goes to Southern California. We can't compete with Southern California trucks. So he shut down. Went to work for somebody else. I moved out of state. I'm going to let him speak because he's a little more graceful about it.

MR. COMER: I'm a California trucker for last 25 years. I was owner-operator for two and a half years. I just went out of business because of the particulate matter filter issue regulation.

I just want to commend everybody that was able to
comply, that's great. But for those that could not afford it, you know, you go out of business. And I just want to say I'm not the only one that's directly effected. There's also other people that I employed and other businesses that are suffering because they don't get my services anymore.

I was a small time auto operator, auto transport operator. And now there are these dispatchers are on -- central dispatch are having a tough time getting cars in and out of Humboldt County. And it's costing people more money, dealers more money, which in turn is going to reflect on the consumer.

That's all I've got to say. Thank you.

CHAIRPERSON NICHOLS: Eric Carleson, and then Aubrey Freedman and Eddie Hernandez.


We have submitted extensive written comments. This will condense them into some spoken comments as well. First, I'd like to note my comments reflect the work not only of your association, Association of California Loggers, but also the California Forestry association, which is land owners who employ our loggers, log truckers, and log road builders.

We had a working group of over seven years
duration. I think some of the members of this Board were here six or seven years ago will recall when we traveled the state. Met with you individually to basically educate you about the unique nature of our industry, the seasons in which we operate, the air quality in the areas in which we operate, and of course the very unique nature of our trucks. So we are back.

Second, while we appreciate and recognize the Board's considering some flexibility proposed to you by staff, we believe that this is the most recent opportunity for you to review this most historic but obviously burdensome of California regulations. It's a good time to consider its impact and always what you might make the rule more compatible for the future.

Key points. One, in 2008, and we remain grateful about the statement made by Chair Nichols indicated the rule was creating a problem money can solve and access to State and federal funds has been part of the relief to our industry on this. I see the clock running out, so I'll mention we do see there's 200 million in cap and trade funds to CARB for low emission vehicles, so we're recommending $100 million of it be put into work so both you can purchase trucks and raise vouchers for those of our members who have not able to comply and certainly provide tax credits for those who have complied and have
obviously indicated their burdens and difficulties in competing.

We don't see this as a day in which we have to chose with the kind of money that's coming in. This is still a problem that money can solve. And I suggest we're only about midway through the process of making this rule work. Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Mr. Hernandez. Is Mr. Hernandez here?

Mr. Freedman was next.

MR. FREEDMAN: Hi. Aubrey Freedman, Libertarian Returning party of California.

I just want to make a point. The cost of all these regulations is -- does anybody think about why is California the most expensive state in the union? I mean, these rules are -- we're already getting diminishing returns. Is there any point in having -- causing all this misery, pinning one group against another and people losing their jobs, losing their livelihood. Is the air going to get that much cleaner? It's already fairly decent.

I want to talk about the science, too. This thing about the American Cancer Society, why are they not releasing -- I know their basis -- their studies have been used as -- cited for the justification for all these rules
and regulations. And they're not giving up that -- where is the data on that? The public taxpayers and the people who live here deserve to see this real information. It's becoming unbelievable how expensive California and these rules and regulations are just going to make it more expensive, which hurts everybody. So I just think this Board actually should be disbanded and that's it.

CHAIRPERSON NICHOLS: Is Eddie Hernandez here? Is Jaime Rodriguez here?

Mitch Lopez. Cynthia Crist.

MR. LOPEZ: Good afternoon, staff. My name Mitch Lopez from Lopez Ag Service, Inc., and A&M Organic Solutions.

I got compliant with you guys about five years ago when I had my whole facility over on Florin Road electrified. It ran me about 200,000 to do that because I was trying to get my residential green waste permit.

After I did that and complied with you staff here and ARB, I had to pay another 250,000 on consultant fees and lawyer fees. I never could get residential green waste, because now I'm fighting the City of Rancho Cordova. And so I just gave up on it.

So on the whole compliant with the truck thing, I bought two 2012s two years ago. I have a -- in the last year, in 2013, and this year, I have $32,000 of money I
spent at Kenworth. The DF don't work. That's straight BS. If you guys would like to pay this between all of you, I'd appreciate that.

Going back to Kenworth, numerous times I have both of my new trucks in the shop. They tell me they have to call Paccar to get what they need to get fixed. I thought they were mechanics. They are charging me $140 an hour. I'm done with Kenworth. I went right to the source. Called Mark McClane at Paccar. Now he's got one of my trucks in the shop he's doing 15 things on, and it took me to go through that to get my truck worked on. Once that truck is done, my other truck is going to go in the shop and they're going to fix that for free.

Both of those trucks water an energy plant 24 hours a day, seven days a week, 365 days a year. So basically when one of those trucks go down, I have to deplete my fleet and do another, put a driver into that to take place of that truck.

So all I'm telling you is if you guys would like to get a call at 2:00 a.m., I'll give all my drivers your number so they can call you and tell you that the DPF is freakin failing again. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Ms. Crist. Yes

MS. CRIST: Good afternoon. I'd like to first
thank you for allowing me to speak.

I'm here today on behalf of Dr. James Enstrom. He has sent a statement to CARB requesting immediate suspension of the truck and bus regulations for five reason.

The first reason is overwhelming evidence from more than 25 doctoral level scientists that PM2.5 is not associated with premature death in California. Key scientific experts relied upon by CARB have deliberately misrepresented the health effects evidence published since 2000.

My detailed CARB public comment describes massive scientific misconduct by Doctors Arden Pope, Michael Jared, and Daniel Crusky, as well as the American Cancer Society.

The second reason is the failure of EPA to comply with the August 1st, 2013, subpoena by the U.S. House Science Committee, which requested American Cancer Society Prevention Study II data, thus has not been possible to properly verify the 2009 ACS findings used by EPA and CARB to justify the truck and bus regulations. The Secret Science Reform Act, HR 4012, proposes to prohibit EPA from basing its regulations on unverifiable secret sciences.

The third reason is illegal process used by CARB Scientific Review Panel to identify diesel PM as a toxic
air contaminant in 1998. This illegal process is fully described in my December 13th, 2011, letter to the California Office of Administrative Law.

Reason four is the overwhelming evidence that the California -- most of Californians already in compliance with the EPA and NAAQS for PM2.5. Numerous air pollution control districts in California have submitted evidence to CARB that the truck and bus regulation is not justified in their counties.

And the fifth and final reason is a scientific evidence that up to 30 percent of the PM2.5 in California originates from China, whereas only about five percent originates from diesel vehicles. It is unjust and immoral for CARB to impose diesel vehicle regulations on California businesses when it does nothing to reduce the PM2.5 originating --

CHAIRPERSON NICHOLS: Ms. Crist, thank you. Do you have a letter that you're reading from?

MS. CRIST: Yes.

CHAIRPERSON NICHOLS: Was it submitted to us already?

MS. CRIST: Yes.

CHAIRPERSON NICHOLS: Thank you.

MR. HUTNICK: I'm Loren Hutnick. I run a small Facebook page. I'm a single owner truck driver.
As far as I'm concerned, when you guys stamp a motor that says this motor meets the emissions for CARB and EPA, you accepted it. You cannot go back and change the rules. That would be no different than the tax board going back 50 years and saying we're going to change the rules. This state would empty out.

I have talked to people at count of hours. They're refusing to come to California. They're saying we're leaving. We're not dealing with California. And the ones that are coming into California are getting astronomical prices to come across the border. Those people are the brokers and the shippers that you handed money out to. And I know has gotten grants. And you restricted those trucks to go across the border, but those JB Hunt and Schneider and all them, they get to run across state line and you don't stop them. Alone.

I have yet seen you guys stop your Board and your people from throwing fluff up. We're just going to blow this up, blow that up. The American Lung Association, blow it up. They didn't tell fact. They just blew it up. This just gave you false, blowing smoke. I don't like having smoke blown up my tail. I don't like being lied to.

Also I got to remind this group and you as a Board that you guys stated this thing and started this
thing on the Tram report, and you covered it up. You cannot -- and you kept the guy employed, I heard. You cannot keep this going on lies. And you have. I'm tired of the lies and you need to straighten it up.

CHAIRPERSON NICHOLS: Mr. Young, Stanley Young, you're down there right. Now would you please explain who those guys are that filming this whole thing? Or would they explain?

UNIDENTIFIED SPEAKER: Hi. I'm John. This is Aiden.

CHAIRPERSON NICHOLS: Where are you from?

UNIDENTIFIED SPEAKER: The public.

CHAIRPERSON NICHOLS: Sorry?

UNIDENTIFIED SPEAKER: The public.

CHAIRPERSON NICHOLS: You're just members of the public --

UNIDENTIFIED SPEAKER: Yes.

CHAIRPERSON NICHOLS: -- who are here to film. Great. Someone told me it was a film school. Did you tell somebody you were a film school?

UNIDENTIFIED SPEAKER: Yeah, but we're also members of the public, too.

CHAIRPERSON NICHOLS: Okay.

UNIDENTIFIED SPEAKER: Double tasking.

CHAIRPERSON NICHOLS: Right. So you're media
self-appointed. Got it. Where is your film school?

UNIDENTIFIED SPEAKER: In Ventura.

CHAIRPERSON NICHOLS: Name?

UNIDENTIFIED SPEAKER: Brooks Institute.

CHAIRPERSON NICHOLS: Okay. Thank you.

We'll hear from Brent Drew if he's here.

Bud Caldwell, are you here?

MR. CALDWELL: I am. I'm just here because I like to hang out with Erik and Tony. I don't feel good if I don't see them.

CHAIRPERSON NICHOLS: We like them, too.

MR. CALDWELL: They've done a great job. I have to hand it to them. They've done a good job.

But my problem, not unlike a lot of my brothers back here, is my problem is I'm trying to compete with three competitors that have been funded and one that has not and was turned down. So I'm fully compliant, as you know. I don't see how that's fair. They run all over the place. And they brought trucks from Sacramento. They brought trucks from Stockton. They brought funding from you. And I was denied.

Anyway, my biggest complaint, as you know, is your filters. I think I'm living proof that they are not dependable. They're unsafe. They're dangerous. And they're very expensive. And thank you.
CHAIRPERSON NICHOLS: Okay.

Myles Anderson.

MR. ANDERSON: Myles Anderson, Anderson Logging, family-owned business, Fort Bragg, California.

You know, trucking is just a necessary evil of ours to get our product to market, sold on a global marketplace. I guess it would really help if the people of California that want all these rules and regulations would at least buy the products we produce instead of importing 70 percent of it from other states and countries. That would be a good place to start.

But the way I see these amendments, they just are moving the brick walls around a little bit. I don't see a great benefit. Might give guys a couple more years. But if you're not on a line of compliance now, I really don't think you're going to get there with these amendments.

I want to thank staff. They've really worked with the logging industry to help us. But at the same time, when I look around at our industry and different areas of the state, I don't see I'm in a very good position to get through this rule, even with the ten percent rule that was put in place. There have been some funding mechanisms put in place. But it's not getting us where we need to be.

You know, one thing. In rural parts of the
state, we still have a lot of mechanical filters. You

  can't put a filter on these things that will work. We're

    putting low mileage. If there was some way that we could

    come up with an upgrade to an electronic motor and that

    would be good for the life or, you know -- for into

    eternity, that might be able to get some of this rule

    trucking fleet to stay in business when you're putting 30,

    40,000 miles a year on your truck, it's extremely

    difficult to comply with this regulation.

    That's an 83 percent reduction in PM for the NOx

    exempt areas. 10,000 miles or less ag exemption. If you

    can prove you're only going to run the truck 10,000 miles

    for the next ten years, how are you going to pay for that

    truck moving forward if you're only going to run it 10,000

    miles a year. If it's allowed exempt now, leave it alone.

    MR. MOHLER: They spelled my name wrong. It's

    M-o-h-l-e-r, the last name. Thomas Mohler. I go by Tom.

    And I'm from Tehama County. You probably know where it

    is. I've been to some air pollution control meetings in

    Redding.

    I would address all of you as probably the enemy

    of the state of California. And pretty soon, if this

    state of Jefferson is initiated and we become a state, you

    will all be fired. We used to have the eighth largest

    economy in California. You guys are destroying it. Wake
up. You're doing it on purpose. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Michael Anderson.

Kirk Blackburn.

MR. ANDERSON: Thank you. First, I'd like to thank the staff. They have done a remarkable job and give a whole new meaning to being between a rock and a hard place.

I'm from Mendocino County, the eleven cleanest air in the nation. Our company's invested over $2 million in getting on a trajectory towards ultimate compliance with the rule.

These amendments will do nothing to help us, but I fully support them. I think we all have to realize that all businesses aren't created equal and some need additional help. I won't get into any more of that.

This compliance with this rule package is going to be tough for people in rural California. Completely different situation there than it is in the urban areas. Four or five years ago -- maybe it was seven -- we came before you and talked about a couple studies that we've done, one in Mendocino and one in Nevada County. And the end result was 70 percent of the trucks in Mendocino County were the old mechanical engines, the dirtiest ones in existence. Nevada County was 71 percent. Well, since
then, I'm sure there's -- we're down to probably
50 percent of those trucks are mechanical engines. I know
there's newer trucks out there now. The problem is what
are we going to do with them. Those are dependable
trucks. Their business models resolve around holding onto
a truck for a long time. They're worth about a fraction,
maybe 25 percent of what they were before this rule came
into existence.

Bottom line is these people in rural California
are going to have a tough time becoming compliant. And I
think they need your help. Eric Carleson mentioned the
comment that Chair Nichols made about this is nothing that
money won't solve. I remember that very well. And
nothing has changed. I think in some of these areas in
rural California, they really are going to need some help.

One last comment, if I could. We heard a lot of
comments about how the truckers won't become compliant. I
don't believe it's won't. I think it's can't. In rural
California, they can't become compliant. Thank you.

MR. BLACKBURN: Good afternoon. Kirk Blackburn
here on behalf of the California Tow Truck Association.

Want to thank staff for working with us to try to
find some relief for a small segment of the tow industry,
heavy-duty tow trucks. These are big trucks, operate very
few miles per year, cost hundreds of thousands of dollars
to replace and are designed to clean up the most disastrous accidents on our roadways.

While it wouldn't provide complete relief, the proposed changes to the low use vehicle exemption, which would essentially increase from 1,000 to 5,000 miles per year to operate as well as to eliminate the hours threshold would provide some relief for these heavy-duty tow trucks.

As such, we are in support of the proposed changes to the low use vehicles exemption and urge you to adopt those provisions.

CHAIRPERSON NICHOLS: Thank you. Okay.

Is there a Ms. Farley here who signed up?

If not, we'll hear from Michael Lewis who I know is here.

MR. LEWIS: Good afternoon, members of the Board. I'm Mike Lewis with the Construction Industry Air Quality Coalition.

I don't know what's more numb, my ears or my butt. Thank you for your patience.

As I told you before, you owe it to us to get the numbers right. And although we're not there yet, I think we're moving in the right direction. We believe there are some phantom emissions accounted for in your assumptions in this adjustment to the rule. And they only exist on
paper. And it's not really fair to ask us to spend money to reduce those emissions that never existed in the first place.

I'm a little bit offended these changes are being characterized as easing or relaxing the rule somehow. The fact is when you overestimate the emissions and then you go back and make the changes to acknowledge and update the numbers, as limited as they are, you're not relaxing the rule.

I think it's unfortunate that the staff has not prepared to talk about the filter reliability today. It is a critical component of this regulation. And the issue of filter performance, both retrofit and OEM, is significant as you heard from others. And we look forward to that discussion in the fall, along with perhaps some more amendments.

Let's be honest. This rule isn't about emissions. It's about model year. This regulation requires that every truck in California to be 2010 or newer by 2023, regardless of its emissions. It is 2014. Less than ten percent of the fleet is 2010 or newer. That means that 90 percent of the fleet has to turn over in the next nine years. We don't believe that there is the economic or the manufacturing capacity to replace that many trucks in that period of time. So we're going to be
We submitted a comment letter with four or five items on it. Let me just say in summary for those items, our members are not out of compliance. This isn't a question of ignoring the rule and asking for relief. The question is what do we have to do next? When do we have to do it? And how necessary is it?

The first thing we ask for was some relief in recognition for those who did have early compliance and that you perhaps give them some credit similar to the PM phase in requirement for those who did take the early steps. I believe you have our comment letter so you can look at those other items. Thank you.

Gary Cadd.

MR. CADD: Madam Chairman, member of the Board and staff, I come forward on a lot of different issues. I can probably stand and talk to you and debate you for over a couple hours on some of the issues you've got here. But seeing as I have two minutes, I'll have to keep it to that.

First of all, when the US Department of EPA made their announcement within the last ten days you folks's information and the Cancer Society's information went away. You have no basis for doing what you're doing. And
I mean, you can sit and you can smile all you want to smile. You can. You can. Well, I'll tell you what. You're going to have a push back in this state that you are not going to believe. It's coming.

The only thing that's really happened here that is hurting the state that people in the state is the truckers, because you've got them divided now. Those that have the money that went ahead and made the changes and those that just flat can't afford to make the changes is where it's coming from.

The filters you got, they're a piece of junk. They catch on fire. They cause all kinds of problems to the motors. They have to take them in and have them worked on. You can get them so hot and drive them so far then you have to shut them down.

You have cement mixers up in Redding that had to shut down. They had a heck of a problem because they had to shut it down. It was all the filter. So you've got filters that don't work. You've got science that is not there. We've asked you for the science. We've never gotten the science. Finally, federal EPA comes out. They don't have the science.

This stuff -- what you're doing is just to me and to the people of California is a rogue agency that's unto itself. No way that we can vote on you folks who are
sitting on this Board. I mean, there's been people on this Board that talked about the filter.

I know my two minutes are up. But you get the drift of what I'm saying.

CHAIRPERSON NICHOLS: Mr. Akaba.

MR. AKABA: Good afternoon. My name is Azibuike Akaba with the Regional Asthma Management and Prevention, part of the Public Health Institute.

So the people who aren't represented here today are people who actually have asthma, people who live near the ports and warehouses that are impacted by the air quality. Seems like one of the key things here is that we need to have some workshops to educate people about why you're doing this work.

And then the second thing is I actually have friends who are truck drivers in the port near the port of Oakland, and they said they can't afford to put the filters on. And they understand why that needs to happen because we need to improve the air quality. They can't afford it. They can't afford to take time off. They don't make that much money.

So I got a real education today from the truck drivers about the challenges that they're having and the people who are larger fleets that are able to afford to make the changes and be in compliance. Early adopters
should be incentivized and rewarded. That's clear. And there should be some type of compensation to help the small truck drivers who are impacted economically not being able to afford to make these types of changes.

My mission is to focus on public health and air quality. And I don't think that an extension is going to improve the air quality. That needs to be a priority because you're a public health agency. That's your mission. So somebody has to stand up. It's a tough job. You guys got the job. That's the deal.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

MR. RAJKOVACZ: It's Joe Rajkovacz. I'm the Director of Governmental Affairs for the California Construction Trucking Association. Been here before over the years.

And, you know, there is a divide within the trucking industry. We are certainly hearing it today. One of the things that I've heard about small business truckers and owner-operators in particular is we ar bottom feeders and rate cutters. I've trucked 30 years and owned one truck. So I guess I'm proud to be here as a bottom feeder and rate cutter.

A bottom feeder and rate cutter who put two
daughters through college, one who is a public school
teacher, another is a Navy pilot. My other son serves in
the Air Force. So I guess, you know, just like many other
small business truckers, we use this business to support
our families. Did we all at one time have a dream of
becoming the next JB Hunt? Yeah. But reality smacks you
down pretty hard in this industry and reality has smacked
down a lot of truckers pretty hard in this industry.

With that said, one of the things that's a
constant that I hear through a lot of the conversation
today, it did have to do with the equity. The equity in
how public funding was distributed in the state. It was
never means tested. UPS just got $2.2 million from South
Coast Air Quality Management District. Who believes they
deserve our public tax dollars? That is the issue with
how these funds have been disbursed. Some very large
players who have revenues in multiples of very successful
American corporations have gotten public money, in the
tens of millions of dollars.

One other thing -- I see my lights going. I have
to say this. I am so grateful that NRDC cares about my
health as a truck driver. I don't believe that for a
minute. Cherry picked. I was on the radio with
Ms. Bailey earlier this week in Southern California, and I
referenced a NIOSH study we put in the docket, National
Institute of Occupational Safety and Health on truck driver mortality. It ain't there. If anybody is dying at increased rates from exposure to diesel exhaust, it's the men and women behind the wheel and it isn't there. Was a cohort of 150,000 truckers and it's being ignored. You know, another study, more studies. We can study ad infinitum. NIOSH, government agency, CDC, it ain't there. That's my comments. Thank you.

MR. EDGAR: Chair Nichols and Board members, Sean Edgar. I'm the director of Cleanfleets.net. I've spent the last 14 years working on diesel fleet rule implementation, first on behalf of the refuse companies in California and more recently in contract with the Board doing training and outreach for this regulation.

So I've personally stood in rooms with over 5,000 people in six western states affected by your regulations describing the regulation content. So I wanted to share a couple things that might work toward better implementation.

First, we heard a lot of concern about how to pay for the program. And my suggestion would be that this Board could help sell the program more effectively by providing -- putting the supply chain on notice that clean trucks are being used. And what I mean by that is you have a how-to verify policy. And it's on the Board
website. Within the body of the regulation itself, you might want to tell folks like Caltrans who issue multi-billion dollar contracts that they're required, public agencies, developers and pick up that language and put it directly into the regulation. I think that could help sell the program.

With regard to common sense for common owners, we know it's patently wrong to take a 30-truck fleet and divide it into three fleets for the purpose of getting more time under the regulation. But there seems to be a barrier on pooling clean trucks for multiple business entities. I ask you to look at that. That's contained in our comment letter.

I appreciated the work truck fleet flexibility. Several of those fleet owners have asked us to clarify the go-forward provision that you be able to opt in on January 1 of this next year. I'd like you to confirm that.

As a time sensitive matter, under the regulation, you've provided some additional time for fleets effected by VDECS recalls. And you've done that for this regulation. But you haven't given the same comfort zone to public agency utility fleets or solid waste fleets or off-road fleets effected. So they have an issue that will expire at the end of this year. We'd ask you to look toward expanding that same coverage. And of course,
prompt reporting and outreach is going to be an important component, and Clean Fleets would like to play a role in that.

We thank you for your time.

CHAIRPERSON NICHOLS: Amy Gladen.
Theresa Cannatta. Angela Caster.

MS. CASTER: Good afternoon. Thank you very much for making so many provisions to offer the credits for those that have complied to be able to offer extensions for exempt areas. And also to offer that one-year extension for the NOx exempt areas for the construction and crane industry and separating some of those trucks due to those different functions that they do.

One of the things that hopefully we could discuss during our closed door meetings is moving forward on this regulation as well as we are getting the Board together. The one-year extensions are extremely helpful. Very helpful. But as you've heard from many speakers today, Northern California and those others non-exempt areas need more time for the economy to recover.

One of the best things to actually talk about is to actually rid the requirement to add the DPF all together and perhaps go with just the 2010 engine compliance because of unintended consequences. So they will occur due to this regulation. The filters, they run
from 1200 to 1400 degrees Fahrenheit. Just imagine pulling something out of your oven and burning your hand at 350 degrees.

So your engine light goes off. Your filter light goes off. You have to pull over to the side of the road. What might happen? You may experience a grass fire or your driver might get burned. Or it becomes a public safety hazard. Or you burn up your engine or you burn up your turbo. So all of these things will happen on the side of the road. Hopefully, you have been hearing public comments about this already, which I'm sure you have.

Risk two, driver safety. Basically the stress of this, having a fire on the side of the road, having your engine light go off, trying to determine whether or not you get to the nearest maintenance station before your truck shuts down. These are all very difficult for drivers to deal with. So we have higher heart attacks and things of that.

You might have heard about the molten metal from the rooftop, one that came through the cab on top of the driver. It's very dangerous. We're going to have to lawsuits.

Please protect us also when we go to court for felony convictions for starting fires and creating hazardous conditions for our employees. Thank you.
CHAIRPERSON NICHOLS: Is Chris Wortman here?

MR. WORTMAN: I have a small dump truck business. I operate three trucks and work in the construction industry. I've owned and operated this business for over 30 years and have been through just about every challenge and difficulty that's come along. However, the difficulty presented to our small business with the compliance is without a doubt the most difficult one so far. The cost to repower and replace our small fleet might be too big of a challenge. And after 30 years in the business of making a fairly decent living, all of that's in serious jeopardy.

I've looked into loans and grants. And based on the current debt to income ratio with the rates and amount of work that's out there, compliance at this time and in the very near future doesn't look too good. I've looked into the grant program. And based on the current guidelines for grant money, based on the mileage that we run, we're only eligible for about $15,000 to $20,000 per truck of grant money. And considering a truck is upwards of $150,000, it just doesn't pan out money wise.

Since our work is seasonal, there's virtually no way of making this payment in the rainy season or the off season. Basically when it rains, we don't work. And because we run low miles, we may show up to the job site, pull up, shut the truck off, and sit there for hours with...
the motor off. So we're not generating miles. We're not polluting the air at that time. And so therefore, we don't qualify for the grant money. Since we're not -- we don't have 1700 trucks, we don't really qualify for the types of loans that we need.

At some point in time, I imagine the 2010 trucks or newer will be based -- we'll be able to afford that. The guys that I got working for me are between 58 and 62 years old. They've been with me for 10, some of them 20 years. If our company goes under, who is going to hire these guys at 58, 62 years old? When I'm done I think they're probably done, too, which I'm sure they're not real happy about. And for every guy like me that shows up, there's a thousand more out there that you don't see and you don't hear from.

MR. HUNTER: Good afternoon, Madam Chair, Board. My name is Chuck Hunter. I represent Pacific Enterprise Bank. And I want to talk to you very briefly about the lending aspect. I've provided several hundred loans for many of the truckers in the state of California, and it is very difficult for them. Over the last three to four years, the incomes are not going up for most of these drivers. They are having a very difficult time. When talking about DFPs and providing loans for them, I don't think that the Board maybe has considered that the value
of the truck, the resale value of the truck unfortunately
in many cases is far less than the cost of a new DPF.
Most lending institutions won't lend on that type of a
fiscal situation.

So just consider as many options as you possibly
can it's very difficult for many of these operators to
move forward, we've provided many loans, especially at the
port of Oakland. And they're finding it very difficult
with the cost of the trucks.

I think in the overall scheme of things today, I
think the number one thing that everybody is asking for in
the room is compromise. Thank you.

CHAIRPERSON NICHOLS: Mr. Shimoda, you get a last
word.

MR. SHIMODA: What a day. Chris Shimoda,
California Trucking Association.

First, we'd like to voice our strong support for
several of the proposed changes, including the extension,
the early action, and fleet size reduction credits.

We'd also like you to take a second look at that
Cleaire long mile provision, grant those owners up to
ten years from the date of the recall. That way, these
long mile owners don't have to pay for compliance twice.

We suggested some additional relief in our
written comments, very non-controversial stuff for TRUs in
2007 engines. I would please urge the Board to take a
look at those.

On the majority of the other amendments, CTA has
taken a neutral stance. We think staff was in a pretty
tough position trying to find additional flexibility for
the north state, central coast, some of the industry
sub-groups. And we think that staff did a pretty good job
in their proposal.

The exceptions are really three: The livestock
exemption, the loan denial provision, and the delay for
the second and third truck in small fleets. You know on
the livestock exemption, I'm not going to repeat what you
heard from the law, the for-hire livestock haulers you
heard today. I'll say we're proposing a compromise to
limit that exemption to not for-hire cattle and ranching
operations.

Secondly, on the loan denial provision, this
provision needs to be completely rethought, thrown out, or
retooled, because we've done some analysis and gotten a
lot of feedback on it. You're creating a massive
loophole. There is no way to tell a legitimate denial
from one sought specifically to circumvent the rule.

And last, delays for the second and third trucks
and smaller fleets. This being considered to grant these
guys funding. You know, I'd like to say there is a really
obvious compromise here. And that would be to simply
change the rules of the funding. The incentive funding
was supposed to get early action. It's not. You know,
even if this staff's proposal goes through today, the
audience needs to know there is still a lot of people who
cannot be funded because they're ineligible for 1B and
Moyer. They do too few out of state miles, travel just in
the north state and the central coast where they want to
retrofit rather than replace. There is no money for them.

So these are the fleets that need the compliance
assistance the most. They have not received any to date
and will receive none. It's entirely within ARB's
capacity to assist these fleets. You may need some
statutory changes, and CTA is definitely willing to help
you get those done. Thank you.

CHAIRPERSON NICHOLS: Thank you. Very good
comments.

Clearly, we need to have some more discussion
here. Well, first of all, the public hearing is closed.
There will be no more public comment on this item. So
we're now bringing this back for Board discussion,
comment, and possibly a vote.

We have options because this is a two-day Board
meeting. If people want to reflect overnight on what
they've heard today before having further discussion, we
are entitled to do that. And it could be that that would be the better part of valor because we've spent many hours here listening.

I understand that people in the audience would be quite upset because they would like to hear immediately what our answer is going to be on all the points. But the fact is we've heard a lot of different comments on a lot of different aspects of this rule and what should be accepted, what should be changed, et cetera. So I'm comfortable going either way with this, but I think it's just worthwhile to have the Board give some consideration to the process here because I don't want to do anything hastily. I think it's important that we really give it time.

We have scheduled, ourselves, not that we can't ask the indulgence of the people we're giving awards to. We had scheduled a time of 3:30 for recognition of the three recipients of the Haagen-Schmidt award named after an eminent atmospheric scientist who was the first Chairman of this Board and who started a great tradition of science at the Air Resources Board. So we have that to look forward to a little bit later. I wouldn't want to postpone that very long. It was scheduled for 3:30.

So what's the pleasure of the Board? I don't want to just make a decision here.
Yes, Supervisor Serna.

BOARD MEMBER SERNA: Thank you, Chair.

I suggest perhaps maybe a hybrid of what you suggested. There are probably other members of this Board like myself that have questions for staff. So maybe if we use the time to ask questions today and then use the time overnight to think harder about it and come back tomorrow.

CHAIRPERSON NICHOLS: Fair enough.

Is that acceptable to others?

Ms. Berg.

BOARD MEMBER BERG: Well, I think what I'd like the members of the audience to know is that we have taken a lot of your testimony to heart. I think some of us -- I can speak for myself -- has worked many hours on this truck and bus rule. I have been here from the very beginning. And these are very, very difficult decisions. So I would support conversation with the staff in clearing up some questions and then coming back in the morning and resuming maybe with some further questions if --

CHAIRPERSON NICHOLS: Well, that would be okay, just as long as we don't take any further testimony or consider any additional information.

BOARD MEMBER BERG: That's right.

CHAIRPERSON NICHOLS: Obviously, we can't talk about this. That would be the end until we resumed.
BOARD MEMBER BERG: That's right. I think it is important to remind the audience we are governed by the Brown Act. And certainly maybe Ms. Peters could just remind us of that.

And but we're taking these comments very seriously. And it's very difficult when you're hearing so many different opinions and looking at so many different industries and trying to do the right thing. I understand in the heat of the moment that it appears that we're a bunch of morons up here, not thinking. But I can tell you personally, I have 17 trucks. I have retired two. I have retrofitted one. And I have purchased nine, for a total of $823,924.

So I think that this Board has a little more understanding of the difficult decisions that need to be made. Sometimes it's easy to assume that we don't. And so I would support Supervisor Serna's suggestion.

CHAIRPERSON NICHOLS: Well, I don't think we actually need to take a vote. We can do this if it's acceptable to others.

I think that should work. I was reminded a moment ago that for people who can't come back tomorrow or don't want to come become tomorrow, they can actually watch the proceedings on the California channel. It is web cast so that anyone can actually see us as we
deliberate as opposed to just reading about it after the fact. I think that could be -- that might be helpful.

Well, why don't we start with some questions and comments for the staff. And I'll just go in order starting with you, Mr. Serna.

BOARD MEMBER SERNA: Thank you, Chair.

First of all, I'd like to certainly express my thanks to everyone that took the time out of their busy schedules out of their business schedules to be here today. It's not trivial. We don't treat it that way.

I certainly want to echo the comments that were made by Ms. Berg, my colleague, up here who has some very personal experience on the subject.

But with that, I do have some questions for staff and they may be similar to some of the other questions other Board members have.

The first one is we heard quite a bit about the prospect of loan denial shopping or kind of working the system in that regard. I'd like to understand better what we could -- what our options might be if that was not part of the proposed amendment.

I'd like to know what would be the implications of maybe further specifying the cattle trucks, the livestock trucks for-hire versus those that are owned and operated by the people that are actually raising the
cattle. What the implications of that would be if that
were excluded.

And then I think there as been plenty of
discussion, rightly so today, about incentive funding and
what prospect for pursuing that in the future. This Board
might take advantage of, because I do think there are some
very valid statements that have been made today about
those that have -- those that have complied and those that
haven't yet. There is no question that we all want to see
more resources available, whether it be the commercial
lending market or incentives that would be provided by the
state of California. But I'd like to have staff be
prepared to come back tomorrow and give us kind of a menu
of options in that regard.

CHAIRPERSON NICHOLS: Okay. And rather than
answering the questions now, we're just going to collect
them.

Okay. Dr. Sperling.

BOARD MEMBER SPERLING: One of the issues that
really struck me is this one of fairness. And so the
question I have for dealing with that on the enforcement
side, and that is to what extent can we work with the DMV,
as several people suggested, to make sure that there
really is enforcement.

So as I understand it and the idea would be that
we issue a certificate to anyone that is in compliance and then they bring it to DMV. They need it to bring it to DMV to register, which is basically what individuals do with the smog tests. And is that something we have the authority to do? Is that something that's doable?

CHAIRPERSON NICHOLS: Ms. Mitchell.

BOARD MEMBER MITCHELL: Yes, I would absolutely agree that we need to take a look at the loan denial excerpt of the amendments and possibilities of omitting that or how do we deal with that.

But I know that staff has tightened it up. But I think it is still maybe a situation where it's ripe for fraudulent exercise. And we should be mindful of that and do we keep it in or take it out. Those are the issues I think Board members are grappling with.

The other thing with heard is how do we get financial assistance to many of these entities that are not in a position to get it? They mention the South Coast District. And because it's not attainment, there are opportunities there. But in other areas, some of those opportunities don't exist.

So let's think about that. Someone suggested cap and trade moneys, can we look at that? Is there a possibility for that? It's something for us to consider.

We do make recommendations to the Governor on cap and
trade money. We don't control it, as you know. But we do have the opportunity to make recommendations.

The other thing is the enforcement issues. It was suggested by one of our speakers that could we employ an opacity test. And I don't know if that's viable or not. But it's something to look at.

Also tying this to DMV or perhaps to insurance so that when the truck owner goes in to get his DMV registered, can we verify compliance in that way. Or when he gets insurance for that truck, can we verify compliance.

And what's within the capacity of the Board to do what is going to require legislative action. So those are kind of the key things that come to mind as I took notes while we were listening to the testimony.

CHAIRPERSON NICHOLS: Okay. Mr. Eisenhut.

BOARD MEMBER EISENHUT: Yeah, thank you, Chairman Nichols.

I had two issues that I wanted to address. And they both have been raised already. But just so folks can have an understanding of how prevalent or how frequently these issues occur to Board members, I'll address both of them.

The first is in order to provide -- well, the comment was made more than once and Dr. Sperling addressed
this, the DMV registration question. I'd like to hear our options explored there.

And secondly, I understand there is -- that the additional funding -- I think I have an understanding of it, but I would like that explored publicly so that everyone in the audience has an understanding of what's possible and what's not possible.

I think the approach that -- the reason for these questions is folks deserve certainty and closure on this issue. And if we move forward, whatever direction we move forward, we need to provide certainty. So that's the purpose of the questions.

CHAIRPERSON NICHOLS: Thank you.

BOARD MEMBER RIORDAN: My questions would be kind of zeroing around early actions and recognition of early actions. And I know staff has proposed a number of things.

But after hearing the testimony, would staff make any other recommendations that might be helpful to people who have taken the early actions?

And then secondly, I'd like to also say that I'm interested in understanding the issue of separating and defining cattle trucks and how that might effect those who are hauling and farmers and ranchers versus those who haul other commodities, along with cattle.
And I think, Madam Chairman, that concludes mine.

CHAIRPERSON NICHOLS: All right, Mrs. Riordan, skipping myself, I'll move to Supervisor Gioia.

BOARD MEMBER GIOIA: Can I ask the staff to put up the slide? I guess it's 25. Do you have the ability to do that right now? It shows amendments meet PM emissions goals. So -- thanks.

I just wanted to make a brief comment. I know there are a number of folks here who won't be here tomorrow. I appreciate there's been a lot of thoughtful comments by other members of the Board.

I think it is important to understand or recognize that this has been a very long and complex process and the attempt -- I think it's important to state what the thinking and intent has been here -- is to find a fine balance here, to still achieve the health goals and the reductions with some adjustment for those who came today to express their concern.

And this is a tough issue. There have been many companies that have made many truckers that have made investments -- substantial investments. And they're not happy that there may be a relaxation or a changed time frame for implementation. And likewise, those small trucking companies understand and have the burden on them as well. So we're trying to balance all of that.
And in looking at this chart, I think what's overall significant clearly if the rule did not exist, the emissions would be up at the business as usual level. Under the adopted regulation, it's of course the lower line. And with the proposed amendments, we're still achieving substantially most of the emission goals we want to achieve, but delayed by couple of years.

This the heart of the chart. How do we come up with a fair balance here? The same thing applies with the chart on NOx, which you can show. That doesn't mean we can't continue to think how we in the context of this decision fine tune. But I think there's also concern of not to delay things further than what's proposed out of fairness for those who already made the investment. So I just wanted to note that.

And I think taking that time, asking the questions today, and then having a reasoned conclusion tomorrow makes sense. But I just wanted to at least make that observation while many of you were still here today.

CHAIRPERSON NICHOLS: Thank you.

Mr. De La Torre.

BOARD MEMBER DE LA TORRE: Thank you.

Thank you everybody for coming out today and being with us all these hours. Very much appreciate all of the viewpoints, all of the testimony.
I think most of my questions have been touched on by my colleagues. I'm going to -- and if staff wants to think about it in this way as well for our conversation tomorrow, I'm going to go back through all of the recommendations and separate out the ones that are dates versus definitions and categories. And I shared that with staff during the briefing. But I want to break out those two separately and look at them separately because I think there are two issues going on here.

One is any number of affected parties in certain industries, certain types of trucks, et cetera, that are requesting some tweaks. And then there is proposals to tweak the definitions or categories. And then there is a whole other set, which are just based on the deadlines, moving the dates around. And so I'm going to be -- that's how I'm going to filter for tomorrow in addition to listening to what the answers are to my colleagues' questions. Thank you.

CHAIRPERSON NICHOLS: Okay. Dr. Sherriffs.

BOARD MEMBER SHERRIFFS: Thank you. Again want to thank staff for their hard work over the last few months and everyone who testified with such passion and shared their concerns and information with us. This is obviously very difficult.

We're dealing with a very complicated state and
this highlights the differences, the different needs between different sections. It highlights how, as has been pointed out, a truck is not a truck. This is very complicated. And a truck is not a truck in a different area. The same truck in a different area has a very different meaning. So to come up with a simple solution is probably impossible. Probably impossible.

I had similar questions in terms of tightening up the loan issues, what the options are in terms of financial assistance for the willing. And maybe a little clarity in terms of what flexibility we do have with 1B funds, how those can be directed to local control, if you will. And obviously, I think clarifying the enforcement and making that cleaner for people. And I like very much the idea about the DMV, that will take some time, but clearly could be much plainer for people. And the transparency is obviously apparent on this.


BOARD MEMBER BERG: Thank you.

You know, I'm taken back a little bit to when we started in 2008 and many of these various category questions came up, the variety of businesses, the truck is not a truck. And one of the things we committed to as a Board was to be open to new information and to hear concerns and to make adjustments as necessary.
Considering how difficult and how complicated this rule is, although it circles back at us and we feel like we could be here again, not after today though. This will be the last time, right, Chairman?

CHAIRPERSON NICHOLS: Yes. That was going to be my comment when it got back to me.

BOARD MEMBER BERG: You and I, we'll be someplace else won't we for sure.

But if you look at how complicated this rule is, this is the second time we've been back since it's been adopted. And each time, groups have come back to us and said we didn't get it right. So I'm really torn on the fact that I passionately hear the concerns today and trying to stay true to the fact that we were going to receive additional information, truly look at it, and try to do the right thing.

So with that, I'm very interested in hearing back from staff on the air district's request, specifically San Joaquin Valley's request, to be able to spend their Prop. 1B money on trucks. I think you already had on your list that issue on larger engines and lighter engines and what works, you're already going to follow up on that.

I thought some of the fairness issues that Sean Edgar brought up would really be worthy to pull his letter, especially about companies breaking up into
smaller pieces. And the broker issue, we've heard that really almost for seven years. So maybe we could just touch on that.

Also I have the school bus request on my list. They had requested the school buses in the rural areas be included in the 5,000 low mileage. And also Ms. Sanchez also talked about getting recognition for the compliance. I'd be very interested on comments since we haven't spent very much time on the school bus.

I'm also interested in clarifying the cattle trucks for not-for-hire, if we decide to keep that in the regulation. And again, remembering that the for-hire and the vocation, this is what makes this so very complicated is we really are talking about very different types of businesses. And so it's difficult to truly understand the competitive advantage, the fair playing field, which I know is important to all of us up here.

And finally, the emergency issue on things like the water truck. I would like staff to clarify that as well. And Chairman that's my list.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

Dr. Balmes.

BOARD MEMBER BALMES: Well, one advantage of being on this end is my colleagues have said everything I
really wanted to say, other than to reiterate that it's hard to sit up here and listen to all the testimony that's coming at us both positively and negatively -- I guess today was mostly negatively -- and to try to balance different interest groups with regard to the regulations. And that includes, as has been pointed out today, different sides within the trucking industry as well as the public health advocates.

But I would just reiterate what my colleague Ms. Berg has said is that we are trying to do this the best way we can. I'm glad we're taking tonight to think about it carefully.

The specific issues that I have on my list that have already been mentioned were linking the CARB compliance with DMV registration, the school bus, the low mileage school bus exemption that was requested that Ms. Berg already mentioned. And to clarify the cattle hauler situation not-for-hire versus hire.

And with regard to the loan provision, I do think that we have to think that through carefully, as other Board members have said.

CHAIRPERSON NICHOLS: Okay. So I am the last to speak on this issue before we adjourn on this item. I endorse all of the questions and comments that have come before. I want to add a couple of thoughts. One have
them perhaps the smallest issue that was raised although
very important, one entity at least that was the Catalina
Island issue. I don't believe we could do what they want
us to do in any case, given the notice on this meeting.
But I would not support it given they are part of Los
Angeles County and that pollution on Catalina does, in
fact, impact air quality on shore.

But I was very pleased to hear that South Coast
is willing to look at whether there might be some possible
funding assistance for them to convert. I would like to
really encourage the new owners to look at having an
all-electric fleet on Catalina Island. There couldn't be
a better place for that to exist. So that's the local
comment.

I would be moved -- the one thing that would move
me to want to change this rule again or hear it again
would be if we were convinced based on substantial
evidence that the filters really didn't work. And
although it's true the staff report wasn't complete on
that issue, I did spend a lot of time reviewing the
information that was there and cross-examining them about
the stories about trucks that were having problems. And I
think the answers they came back with were decent answers.
Now I'm not saying that I'm convinced that every filter is
a good filter or that every installation has been done
properly. But in terms of the overall impact of the rule, that would be something I think would be very important to keep watching.

Third, this may be an example of the Stockholm effect at work, but I actually am pretty close to where the CTA testimony was at the end. That is the three items that they raised are exactly what I think the three items are that are the ones that we should be focused on. And I would be inclined to go in the direction they're suggesting, unless we get some further thoughts on those items. So that's what I'm going to be mulling about.

Last, I'm not going to let this issue go without underscoring the fact that we're because we're dealing with a real air quality problem, as well as an issue of greenhouse gas emissions. And I have already been fingered by at least one of the people who spoke today, so I'm going to respond to this. The issue of the particulate science, the science that says that diesel particulate is not good for your health, is very robust and is getting stronger all the time. That doesn't mean we haven't made progress on cleaning it up.

But I was at U.S. EPA when the national ambient air quality standard was set for fine particles, and I did review the science in the Six Cities Study and the American Cancer Society studies and dealt with the push
back in Congress then about why they couldn't get the raw data, which was because the owners of the data wouldn't consider it to be public data and we had to devise a process for peer review that included EPA doing referral to the Health Effects Institute, which convened a panel of scientists, including scientists representing diesel manufacturers as well as academics and others that did a full peer review of all the science at that point and concluded that the basis for the fine particle standard was quite sound. It's been reviewed again, once by EPA with a full Clean Air Scientific Advisory Committee review and this Board convened a full-day session and invited scientists from all over the country, including U.S. EPA, that was attended by several people who were here today at which the diesel science was discussed and reviewed and which concluded once again that the evidence about diesel particulate as a carcinogen, the evidence about human health effects of diesel was very strong and a good basis for actions.

So people can keep on raising these issues if they want to. They can keep threatening if they want to. I presume they will various kinds of actions. But this is one of those situations where attacking the science is not going to get the answer that people want. It's just not going to make this problem go away.
So I guess it's good that we have to keep on re-discussing it just because that's -- science has to be prepared to defend itself. But on the basic issue of why are we here and why are we doing this, we are doing this because the Board has to. We are required to take action to meet federal air quality standards. And that is what we're doing. But we're trying to do it in a way that honors the best information that we have about technology and about the people that are affected by these regulations.

So I think if there is nothing else that you've heard today, you've heard a lot of very thoughtful people who have no vested interest in this issue grappling with these questions and we'll be back tomorrow to do more of it.

So with that, this item is adjourned. The meeting is formally adjourned. And we're going to take a very brief recess. And then we're going to go to the Haagen-Schmidt awards.

(Whereupon the Air Resources Board recessed at 3:55 PM)
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 7th day of May, 2014.

__________________________
TIFFANY C. KRAFT, CSR, RPR
Certified Shorthand Reporter
License No. 12277