MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

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SACRAMENTO, CALIFORNIA

FRIDAY, MAY 25, 2018
9:12 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
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APPEARANCES

BOARD MEMBERS:
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Senator Dean Florez
Supervisor John Gioia
Ms. Judy Mitchell
Mrs. Barbara Riordan
Supervisor Ron Roberts
Supervisor Phil Serna
Dr. Alex Sherriffs
Professor Dan Sperling
Ms. Diane Takvorian

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Ms. Edie Chang, Deputy Executive Officer
Mr. Steve Cliff, Deputy Executive Officer
Mr. Kurt Karperos, Deputy Executive Officer
Ms. Ellen Peter, Chief Counsel
Ms. La Ronda Bowen, Ombudsman
Ms. Emily Wimberger, Chief Economist
APPEARANCES CONTINUED

STAFF:

Ms. Veronica Eady, Assistant Executive Officer

Mr. Michael Benjamin, Division Chief, Air Quality Planning and Science Division (AQPSD)

Mr. Peter Christensen, Manager, Innovative Heavy-Duty Strategies Section, Mobile Source Control Division (MSCD)

Mr. Rhead Enion, Senior Attorney, Legal Office

Mr. Daniel Garrett, Air Pollution Specialist, Implementation Section, AQPSD

Mr. Jose Gomez, Manager, Technical Development Section, AQPSD

Ms. Kim Heroy-Rogalski, Branch Chief, Mobile Source Regulatory Development Branch, MSCD

Mr. Jason Hill-Falkenthal, Ph.D., Air Pollution Specialist, Strategic Planning and Development Section, MSCD

Ms. Deborah Kerns, Senior Attorney, Legal Office

Mr. Jack Kitowski, Division Chief, MSCD

Ms. Renee Littaua, Manager, Strategic Planning and Development Section, MSCD

Mr. Aron Livingston, Assistant Chief Counsel, Legal Office

Ms. Elizabeth Melgoza, Air Pollution Specialist, AQPSD

Ms. Lucina Negrete, Chief, Innovative Strategies Branch, MSCD

Mr. Ravi Ramalingam, Branch Chief, Consumer Products Air Quality Assessment Branch, AQPSD

Mr. Webster Tasat, Manager, Central Valley Air Quality Planning Section, AQPSD
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Ms. Sylvia Vanderspek, Branch Chief, Air Quality Planning Branch, AQPSD
Mr. Michael Werst, Branch Chief, Northern Laboratory Branch, Monitoring and Lab Division
Mr. Daniel Whitney, Senior Attorney, Legal Office
Ms. Lisa Williams, Air Pollution Specialist, Innovation Strategies Branch, MSCD

ALSO PRESENT:
Mr. Alan Abbs, California Air Pollution Control Officers Association
Mr. Joy Alafia, Western Propane Gas Association
Mr. Will Barrett, American Lung Association
Mr. Bud Beebe, California Hydrogen Business Council
Mr. Ernest Bernarducci, WD-40
Mr. Timothy Blubaugh, Truck and Engine Manufacturers Association
Mr. Rasto Brezny, Manufacturers of Emission Controls Association
Mr. Todd Campbell, California Natural Gas Vehicle Coalition
Mr. Tim Carmichael, Sempra Energy
Mr. Nicholas Chavez, California Association of School Transportation Officials, School Transportation Coalition
Mr. Michael Coates, Diesel Technology Forum
Mr. Rob Cram, Holt of California
Ms. Christina Darlington, Placer Count Air Pollution Control District
APPEARANCES CONTINUED

ALSO PRESENT:

Mr. Brad Edgar, Red Fox Resources

Mr. Mike Freeman, WD-40

Ms. Hannah Goldsmith, California Electric Transportation Coalition

Mr. Rod Headley, Central California Power

Ms. Bonnie Holmes-Gen, American Lung Association of California

Ms. Abigail Jackson, Greater Sacramento Economic Council

Mr. Ryan Kenny, Clean Energy

Mr. Jaime Lemus, Sacramento Metropolitan Air Quality Management District

Mr. Michael Lewis, Construction Industry Air Quality Coalition

Mr. Kevin Maggay, SoCal Gas

Mr. Matthew McKerley, EarthJustice

Mr. Danny Merkley, Farm Bureau Federation, California Cattlemen's Association

Mr. Luis Olmedo, Comite Civico

Ms. Kathryn Phillips, Sierra Cub California

Mr. Michael Pimentel, California Transit Association

Mr. Raul Portugal, Central California Power

Mr. Allen Price, Chemical Solutions

Ms. Nicole Quinonez, Household & Commercial Products Association

Mr. Doug Raymond, Raymond Regulatory Resources
ALSO PRESENT:

Mr. Reyes Romero, Imperial County Air Pollution Control District

Ms. Ellah Ronen, LA n Sync, California Community Foundation

Mr. Rocky Rushing, Coalition for Clean Air

Mr. Michael Samulon, City of Los Angeles

Ms. Karen Schkolnick, Bay Area Air Quality Management District

Mr. Ryan Schuchard, CALSTART

Mr. Chris Shimoda, California Trucking Association

Mr. Travis Smith

Ms. Divya Sundar, United Auto Workers

Mr. Glen Tepke, Metropolitan Transportation Commission

Mr. Chris Torres, F&L Farms Trucking, Inc.

Ms. Kristen Torres Pawling, County of Los Angeles

Mr. Mike Tunnel, American Trucking Association

Ms. Francesca Wahl, Tesla

Ms. Angie Wei, California Labor Federation

Mr. Vincent Wiraatmadja, Wiedmen Group
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PROCEDINGS

CHAIR NICHOLS: Good morning, ladies and gentlemen. Welcome to the May 25th, 2018 public meeting of the California Air Resources Board. We will begin by saying the Pledge of Allegiance.

If you'll please rise.

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

CHAIR NICHOLS: I grew up in an era where we had to say the Pledge of Allegiance every morning in school. And it wasn't something that I particularly gave my much thought to one way or the other. But having just been in Washington earlier this week, I feel more -- it's more important than ever to recognize that this is -- this is our country. Okay.

Will the clerk please call the roll.

BOARD CLERK McREYNOLDS: Dr. Balmes?

BOARD MEMBER BALMES: Here.

BOARD CLERK McREYNOLDS: Mr. De La Torre?

Mr. Eisenhut?

BOARD MEMBER EISENHUT: Here.

BOARD CLERK McREYNOLDS: Senator Florez?

BOARD MEMBER FLOREZ: Here.

BOARD CLERK McREYNOLDS: Assembly Member Garcia?

Supervisor Gioia?
BOARD MEMBER GIOIA: Here.

BOARD CLERK McREYNOLDS: Senator Lara?

Ms. Mitchell?

BOARD MEMBER MITCHELL: Here

BOARD CLERK McREYNOLDS: Mrs. Riordan?

BOARD MEMBER RIORAN: Here.

BOARD CLERK McREYNOLDS: Supervisor Roberts?

BOARD MEMBER ROBERTS: Here.

BOARD CLERK McREYNOLDS: Supervisor Serna?

BOARD MEMBER SERNA: Here.

BOARD CLERK McREYNOLDS: Dr. Sherriffs?

BOARD MEMBER SHERIFFS: Present.

BOARD CLERK McREYNOLDS: Professor Sperling?

BOARD MEMBER SPERLING: Here.

BOARD CLERK McREYNOLDS: Ms. Takvorian?

BOARD MEMBER TAKVORIAN: Here.

BOARD CLERK McREYNOLDS: Vice Chair Berg?

VICE CHAIR BERG: Here.

BOARD CLERK McREYNOLDS: Chair Nichols?

CHAIR NICHOLS: Here.

BOARD CLERK McREYNOLDS: Madam Chair, we have a quorum.

CHAIR NICHOLS: Very good. Thank you.

A couple of announcements before we get started this morning. First of all, interpretation services will
be provided today in Spanish for the first item. The PM2.5 State Implementation Plan for Imperial County. Headsets are available outside the hearing room at the attendants sign-up table, and can be picked up at any time.

(Thereupon interpretation into Spanish.)

CHAIR NICHOLS: Gracias.

For safety reasons, please note the emergency exits to the rear of the room. 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. When the all-clear signal is given, we will return to the hearing room and resume the hearing.

Anyone who wishes to testify should fill out a request-to-speak card available in the lobby outside the Board room. Please turn it into a Board assistant or the clerk of the Board prior to the commencement of that item. Also, speakers should be aware that the Board will impose a three minute time limit please state your first and last name when you come up to the podium, and put your testimony in your own words.

You don't need to read your written remarks if you have them, because they will be entered into the record automatically. And I think that's it for preliminary announcements.
So we will begin with the first item on the agenda, which is the PM2.5 State Implementation Plan for Imperial County. And I understand that in addition to a staff presentation on the SIP itself, we will also be hearing about some of the broader air quality challenges in Imperial County including impacts from sources in Mexico and how those are being addressed.

Mr. Corey, would you please introduce this item.

EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

In 2012, U.S. EPA designated a portion of Imperial County as non-attainment for the 12 microgram annual PM2.5 standard. This designation was based on PM2.5 data collected at the Calexico monitor located less than a mile from the U.S. Border with Mexico. Due to its proximity to the border, the City of Calexico is impacted by emissions from the much larger City of Mexicali, Mexico.

The PM2.5 pollution in Mexicali is transported across the border into the Calexico contributing to elevated PM2.5 concentration.

The Clean Air Act includes a provision recognizing that cross-border impacts of international air pollution may cause violations of the standard. The 2018 PM2.5 plan for Imperial County includes a demonstration that Imperial County will attain the annual PM2.5 standard
in 2021 absent pollution from Mexico.

And in an ongoing effort to improve overall air quality in the region, CARB continues to work with the district, U.S. EPA, the federal government of Mexico, the government of Baja, California, and local community groups in Imperial County to reduce emissions from sources on both sides of the border.

With that, I'll ask Elizabeth Melgoza to give the staff presentation.

Elizabeth.

(Thereupon an overhead presentation was presented as follows.)

AIR POLLUTION SPECIALIST MELGOZA: Good morning Chair Nichols and members of the Board. Today, I'm going to present the 2018 State Implementation Plan for the Imperial County nonattainment area that addresses the annual PM2.5 standard.

Beyond presenting the SIP and its requirements, I want this presentation to emphasize the real reason we are here today. We are here today to learn about an area of the State that we do not often here about, an area impacted daily by pollution from another country with the highest asthma related hospitalization rate in the State, an area where 25 percent of the population lives below the poverty line, with a medium income of only $16,000 a year.
Although these statistics may sound grim, there is light at the end of the tunnel. And I would like to spend most of the time discussing the efforts currently underway to improve the air quality in Imperial County. So let's get started.

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AIR POLLUTION SPECIALIST MELGOZA: I will begin by briefly describing the nonattainment area, including the technical demonstration in the SIP, which analyzed the emission sources responsible for the high PM2.5 in the nonattainment area. I will also touch on the five rules that the Imperial County district will implement as part of this plan to further reduce local emissions of PM2.5, NOx, and ammonia.

Key to the development of any SIP is air quality monitoring data. So I will highlight the current and future monitoring in Imperial County. But most importantly, I will discuss the opportunities for better measuring what's in the air that all residents in the area are breathing.

Lastly, I will discuss the collaborative efforts that have been taking place to improve border air quality between the district, CARB, U.S. EPA, the Government of Mexico, and community residents.

So let's begin with an overview of the Calexico
and Mexicali border region.

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AIR POLLUTION SPECIALIST MELGOZA: The Imperial PM2.5 nonattainment area consists of three monitors that measure PM2.5 levels. It just so happens that the only monitor in the county that violates the annual PM2.5 standard, and upon which the SIP is based, is located less than one mile from the international border with Mexicali, Mexico.

Imagine living in the small city of Calexico, California. Your neighbor is another country whose population was more than 18 time more than your city. Not only is this other country's population much higher than your city, but these two cities differed vastly in area and industrial activity.

Imagine that there were no barriers that would prohibit air flow and emissions between these two areas. And you and family's health was impacted every day by emissions from another country. This is the case in Calexico, which shares an airshed with its much larger number to the south Mexicali. The night time photo on the left shows the difference.

Border residents have to wake up in the morning to air quality that looks like what you see in the photo, and go to work and take their children to school knowing
that they will be breathing this air.

This photo illustrates what the air looks like in Mexicali on the ground, during the winter, when local festivities, the use of fire works, delays in vehicle traffic at the border, and open burning in the area increase substantially.

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AIR POLLUTION SPECIALIST MELGOZA: From a different perspective. This photo was taken last December at sunrise in Mexicali, and shows what the air quality looks like when PM2.5 levels are very high. You can see that the city is it blanketed with pollution.

At the time of this photograph, the air quality in Mexicali exceeded the PM2.5 standard, and levels continue to increase with a peak concentration that night as high as 185 micrograms per cubic meter.

This pollution spills into the City of Calexico, impacting residents and causes the PM2.5 standard to be exceeded. This is the unfortunate air quality situation that residents in Mexicali and Imperial often experience.

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AIR POLLUTION SPECIALIST MELGOZA: As part of the SIPs, CARB staff analyzed this pollution. Having a shared airshed, together with a lack of reliable information on the nature and extent of emission sources south of the
border, makes evaluation of potential and mitigation efforts difficult.

With this in mind, staff began investigating the local air quality and meteorology data to determine why measurements made at the Calexico monitor are the only ones that exceed the annual PM2.5 standard.

Staff analyzed the differences in emission sources, meteorology, and chemical constituents and quickly found that Calexico consistently measures higher PM2.5 concentrations than at the more northern sites El Centro and Brawley.

Further analysis indicated that PM2.5 concentrations were highest in Calexico when winds were calm and from the south. Even more revealing is the fact that airborne lead and chlorine are measured at Calexico at levels much higher than at other sites in California. California's strict environmental controls on industrial emissions, the transportation sector, and waste disposal results in relatively low concentrations of these chemicals within the State. Staff's analysis suggests that concentrations of these chemicals are most likely due to cross-border transport.

To evaluate if ambient PM2.5 concentrations would meet the PM2.5 standard by the 2021 attainment deadline, staff conducted modeling to estimate future PM2.5 levels.
Results show that Imperial County would attain the standard if those emissions from Mexicali were not present.

Although technical analyses suggests that the area would be in attainment but for emissions from Mexicali, the district still needs to do their part to clean the air and ensure that emissions from local sources are controlled. The district is proposing new controls as part of this plan.

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AIR POLLUTION SPECIALIST MELGOZA: To reduce the overall levels of pollutants in the valley, the district plans to adopt rules, which would establish stricter emission limits for NOx-producing boilers, steam generators, process heaters, and residential water heaters, as well as reduce ammonia emissions from biosolids, animal manure, and poultry litter composting.

To help with PM2.5 emissions in the winter time, the district is proposing a new rule that would reduce PM2.5 emissions through requiring that new wood burning devices meet the cleanest levels available.

The district also plans to prohibit residential wood burning when PM2.5 levels are forecasted to be unhealthy in Calexico. These rules will help to reduce local exposure to wood smoke emissions in Calexico.
These measures will reduce the overall level of pollutants in Imperial, which are anticipated to have a beneficial effect on public health. The district is currently developing these rules, and will work with CARB, EPA, the public, the environmental community, and industry during the development of these rules.

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AIR POLLUTION SPECIALIST MELGOZA: I will now shift to the monitoring that is occurring in Imperial and Mexico. It is very important to have consistent and reliable air quality data on both sides of the border to protect public health. The Calexico site has been recording PM2.5 data since 1999. However, until recently, reliable and consistent monitoring data has not been available in Mexicali.

It is unfortunate that the residents of Mexicali have not had reliable air quality data to inform them about the air they are breathing. To help with this, in 2014, a contract was established which began PM2.5 monitoring at two urban sites near the border in Mexicali as can be seen in the picture.

This monitoring effort is very important, not only to know more about Mexicali's air quality, but also how the air quality in Mexicali impacts the residents in Imperial and more specifically in Calexico.
Soon, CARB staff will begin to analyze the data and identify possible sources that are impacting both the Imperial and Mexicali monitoring sites. CARB plans to extend the monitoring in Mexicali so more air quality data can be collected, providing information on the impacts to the residents in Imperial and Mexicali.

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AIR POLLUTION SPECIALIST MELGOZA: Although the monitoring is effective on a regional scale, there is more that needs to be done to identify sources of pollutants, and further protect the residents in Imperial County. Most importantly, CARB would like to improve our understanding of the air pollution experienced on a neighborhood level.

As part of AB 617, the air district will recommend communities for community air monitoring and/or community emissions reduction programs. And those recommendations will be considered by the Board later this year.

This enhancement on community monitoring will be monumental to improve our understanding of the pollution located throughout multiple areas in the country, and specifically benefit disadvantaged communities. CARB believes the deployment of low-cost sensors will benefit disadvantaged communities in Imperial county and
throughout the State.

    CARB will learn more about the placement, operation, and maintenance of these monitors more in-depth. Currently, a robust low-cost monitoring network is in place in Imperial County.

    --o0o--

    AIR POLLUTION SPECIALIST MELGOZA: This map shows the air monitoring network that was established by Comite Civico utilizing members from the community, which allows residents to see what the air quality is like in their neighborhood.

    A neighbor -- network of four -- 40 monitors were put in place to measure PM throughout the country at schools, government buildings, private residences, businesses around the Salton Sea, near the border, and even at a site in Mexicali. These monitors provide the community with real-time hourly PM2.5 and PM10 data, and help residents to identify possible hot spots of PM pollution in the country.

    This monitoring network allows residents to reduce their exposure when air quality is poor, and further protects public health in the area.

    --o0o--

    AIR POLLUTION SPECIALIST MELGOZA: Through this effort, CARB staff became aware that the IVAN community
PM10 monitors recorded very high PM10 concentrations that were not captured by the regulatory PM10 monitors. Currently, CARB's regulatory monitors have a threshold on PM10 concentration levels, in which levels above 995 micrograms are capped. On one particular day, one of the IVAN sites recorded a one-hour PM10 concentration near 3000 micrograms.

CARB plans to increase the regulatory monitor threshold to be able to record these values, and are investigating the possible sources. Right now, the district is in the process of developing a PM10 SIP for the 24 hour standard, which will need to address high PM10 concentrations. It is very important that the full level of the PM10 concentrations are considered and included, so the public is aware of the true extent of air they are breathing, and ensure that the appropriate level of controls are being implemented by the district.

CARB staff knows this is a very important issue, and commits to working with the district to address these high PM10 values.

--o0o--

AIR POLLUTION SPECIALIST MELGOZA: These photographs highlight some of the main PM air quality concerns that residents in Imperial have raised. It is important to acknowledge that residents are concerned with
the impact agricultural burning has on their health and
their children's health.

Although, agricultural burning has decreased over
the years, it is still a source of emissions that has
localized impacts. Controls are in place to minimize
public health impacts. However, additional work needs to
be done to find alternatives to agricultural burning.

Off-highway vehicle activity occurs frequently
and in large numbers in Imperial County, especially during
the cooler winter months. Residents have voiced concerns
over the impact, given the extent of the off-highway
vehicle activity. During the winter, hundreds of
thousands of riders flock to Imperial County. The
District currently controls PM emissions from these riding
areas, but more needs to be done.

A multi-agency approach involving the district,
State Parks, and others on how to tackle emissions from
the high number of off-highway riders is needed. Efforts
are underway now to begin this process.

The Salton Sea continues to be a focus of concern
for residents in the Imperial Valley. As the water levels
continue to drop, the lakebed will become exposed and
become a potential new source of dust in the north part of
the county. CARB has been collaborating with other State,
federal, and local agencies since 2003 in the monitoring,
planning, and control of PM emissions at the Salton Sea. CARB staff will continue working with these agencies to establish the most effective controls to mitigate the increase in exposed lakebed. International ports of entry have very long wait times in both Mexicali and Calexico, and vehicles idle for hours waiting to cross the border.

The port of entry in Calexico is the third busiest land port in the state and processes about 20,000 northbound vehicle crossings per day. The other port of entry in Calexico processes nearly a thousand heavy-duty trucks each day.

Vehicle emissions are of particular concern given the exposure of those living nearby, as well as pedestrians crossing the border. Even with new emission standards taking effect over the next decade, millions of vehicles at the border will continue to emit large amounts of emissions, which contribute to serious public health problems in the region.

A project is currently underway to increase the capacity and number of toll booths at the border crossings, which will decrease the wait times.

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AIR POLLUTION SPECIALIST MELGOZA: As mentioned before, CARB has been working closely with Comite Civico
on their community monitoring effort. Our own Board Member Assemblyman Garcia represents Imperial County and is actively involved with the community, the Salton Sea, and California and Mexico affairs.

CARB staff has assisted Comite Civico during the monitoring project by installing sensors at the Calexico station to compare to the regulatory air quality levels and evaluate their sensor data.

More recently, CARB and Comite Civico partnered together to take a proactive role in promoting community to assess local air quality. The partnership consists of a contract to evaluate and improve the performance of Comite Civico's existing community-led air monitoring network in Imperial County that I discussed earlier.

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AIR POLLUTION SPECIALIST MELGOZA: It is important that the residents of Imperial County are aware of the air quality in their area, so they can limit their exposure when the air quality is poor. To help with this, the district conveys information on an air quality and health information website, which allows the community to see the real-time air quality data for ozone, PM2.5, and PM10.

The website allows residents to sign up to receive email, text, or push notifications via the mobile
app when air quality in the region reaches unhealthy levels. The district established a marquee at a highly trafficked area of the county that shows the current air quality. Also, local radio and television stations display and discuss the AQI alerts in Imperial county.

The overall purpose of these projects is to enable the residents in the country to make informed choices to reduce their exposure when air pollution is unhealthy.

At 2014 study indicated that border delay accounts for a large share of pollutants from northbound vehicles crossing into the U.S. on an annual basis. The study found that importing California fuel into Mexicali would dramatically reduce emissions from privately owned vehicles at the ports of entry.

Next, I will discuss some of the efforts underway to improve the air quality in Mexico.

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AIR POLLUTION SPECIALIST MELGOZA: To improve air quality and protect public health, it is imperative that the district, CARB, and EPA continue to work with the government and community in Mexico. Outlined here are some of the programs in which the district, CARB, EPA, and Mexico participate to ensure that progress is made towards improving air quality in the border region. I will
quickly touch on a few of these efforts.

The Border 2020 program includes several key objectives to reduce air pollution. Among other actions, the program seeks to reduce the number of high polluting vehicles in the border region, reduce criteria pollutant emissions in Imperial County and Mexicali, and maintain an effective air monitoring network.

As part of the program, an air quality task force was organized to address issues unique to the Mexicali Imperial air shed.

Another key effort is the district's no burn radio and television campaign. Since 2011, this campaign has educated the Mexicali community concerning the impacts from open burning on air quality and public health. The focus is on days that are likely to violate the health standards traditionally during the holiday season in December and January.

The campaign first targeted the education of the health and air quality impacts resulting from the burning of fireworks, tires, and wood. The campaign has opened many avenues of communication with Mexicali's community, and it carries tremendous power to educate all audiences.

Lastly, the ProAire Program represents a collaborative effort among federal, State, and municipal governments in Mexico, along with industry and local
communities to improve the quality of life in Mexicali and to reduce the risk of exposure to air pollution. In just a moment, you will hear more about this program.

As outlined in the programs above, the district has been and will continue to work cooperatively with other organizations and the public to develop emission-reduction strategies for air quality improvement and to provide public information and education to border residents.

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AIR POLLUTION SPECIALIST MELGOZA: Before I close the presentation, I want to let the Board know about the remaining SIP items that will come before you this year, including two for Imperial. In July, staff plans to provide an informational update on ozone and PM2.5 air quality in Imperial County. In September, you will act on the Western Nevada ozone SIP, the last for the 75 ppb ozone standard. The second Imperial Item, the PM10 SIP, will be heard in October. And finally, the Board is scheduled to hear the valley comprehensive PM2.5 SIP in November.

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AIR POLLUTION SPECIALIST MELGOZA: In closing, staff determined that the Imperial County PM2.5 plan meets all applicable Clean Air Act requirements. The district
has committed to adopt new rules to reduce local source emissions. Since local emission sources within Imperial County may still contribute to unhealthy levels of PM2.5, CARB will continue to work with the district to identify additional strategies to reduce local emissions, and thereby improve public health.

    Staff recommends that the Board approve the Imperial County PM2.5 plan as a revision to the California SIP for transmittal to EPA.

    Finally, CARB will continue to work with the district on development of the upcoming SIP for PM10. CARB will also continue to work with the community, EPA, and Mexico to improve air quality in the border region.

    And this concludes my presentation. I would now like to invite Dr. Margarito Quintero who is the director of Planning and Environmental Policy for Baja, California's Environmental Protection Agency to discuss what Mexico is doing to improve air quality.

    CHAIR NICHOLS: Thank you. Welcome.

    DR. QUINTERO(through interpreter): Good morning.

    CHAIR NICHOLS: Could you speak up a bit, please or maybe the microphone is too low.

    Okay. Thank you.

    DR. QUINTERO(through interpreter): Good morning.

    I'm very grateful for the invitation to be here
representing CARB. And I'm here to explain the topic of ProAire, which is similar to SIPs in California.

The ProAire has more than 35 years in existence and up till now there is 39 cities that are using this program. Mexicali have the opportunity to have three ProAires. Before there were municipal ProAires, and the last one is called State ProAire, and it includes the five municipalities in the state.

Basically, what does ProAire mean? It means that we do an analysis in the three levels of the government in collaboration with several sectors in society, so we can take charge of our monitoring program. We also do an emissions inventory. We also regulate the emissions in the field. That's how we structure public policy. And our policy is going to mitigate or improve the air pollution in the city.

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DR. QUINTERO (through interpreter): In this case, in particular, as they commented before, we have two sites already installed where we are measuring PM2.5. We really are thankful to CARB because they donated this equipment after finishing this project that she was describing right now. This graphic here talking about the inventory of emissions --

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DR. QUINTERO (through interpreter): -- in the left column showing some of the criteria of pollution that we are evaluating right now. And the upper bar, you can see all the municipalities. And in the case of Mexicali, the PM2.5 generation is associated with the paved streets and the agricultural burning. That's fundamentally. There are other sources that don't appear in the graphic but that are also important.

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DR. QUINTERO (through interpreter): After we have collected all the necessary elements in the analysis of the monitoring of ProAire -- of the quality of air, excuse me, the emissions inventory and the regulations, and associated with that also the geological, geographical, and economical conditions of the city. We create a team -- a work team that is -- includes people from all sectors of society, in this case, commercial and industrial sectors, the three levels of government, and also organizations from civil society.

Once we analyze all the variables that we obtain through the ProAire Program, we establish the activities that will mitigate the air pollution in the city. We established six strategies and 20 activities. And each activity also comprises several actions. And we have a budget to be able to fund each one of those actions.
If we look at activity number one, or strategy number one, which are the reduction of emissions of the fixed or stationary sources, the activity that we highlight the most that is connected with the emissions of PM2.5 is the reduction of the sand deposits, regulation of the activities of the extraction of stone deposits, right.

There are many activities, but really this one that we just mentioned is very related to our topic.

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DR. QUINTERO(through interpreter): We also have other programs, for example, this strategy two is focused on the reduction of emissions from mobile sources. And the activity six shows that it is important to improve the program of vehicular mobile emissions. It hasn't been very successful so far this activity, because basically half of the vehicular sources we have analyzed them.

We have an additional program because -- problem, because in the state we have an illegal vehicular float -- like vehicles that are called the chocolate float, which actually don't follow the rules that the state demands in order to have vehicular plates, and these are a very big source of air pollution in the City of Mexicali.

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DR. QUINTERO(through interpreter): Strategy number three is the reduction of emissions from area
sources, which is also very significant for the pollution caused by PM2.5.

Activity number 10, for example, deals with the development of a program for the control of emissions of particles originated by bare soil cover.

Activity number 11 deals with substituting agricultural burning for sustainable processes, so we can avoid the air pollution that it causes.

We also have activity number 12, for example, which is a formulation of a program to control the air emissions from livestock activities.

Strategy number 4 is a very important strategy, which is dedicated to health protection.

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DR. QUINTERO (through interpreter): We actually are obliged to create a program of atmospheric contingency, in particular for Mexicali, because we have very important events during the period of December through January, as you could see in the photos that Melgoza showed just a short while ago. It's also very important activity number 15, which is related to an epidemiologic analysis or activities that are related to the health and pollutants -- that are caused by pollutants in the air.

Strategy number 5 is focused on communicating
about air pollution for the community, giving the
community information about this topic. We are actually
work on creating an app and an informational program that
benefit the children and youth in the city.

And now we come to strategy number 6, which is
institutional strengthening, and that's focused on
improving the state in which -- in which the system of
monitoring the air quality in the whole state is nowadays.

As we -- as it was commented before, that system
is actually not working properly. Actually, right now,
we're trying to get funding of $500,000 to be able to
revamp the whole system and bring it up to par, so we can
do the proper monitoring.

Activity number 19 is especially important,
because having an inventory of an emissions in periodical
manner, it is going to give us an idea of how well the
activities and actions derived from the activities are
actually performing in relation to the quality of the air.

And finally, activity number 20 is actually
related to the follow-up and evaluation of all the
activities that I just mentioned. So for that reason, we
created from the very beginning when the program was
approved, what we call the Comite -- Nuclear Committee,
which has integrated people from several sectors of
society, which are doing the follow-up, their
And this finishes my presentation, but I didn't want to leave unsaid that we have been working collaboratively with the colleagues of Imperial Valley. And we've done that through these bi-national programs that have been called frontera, or border, 21, 2020, different numbers, which have been very useful to make the border Mexican -- American-Mexican border healthier, and not just in the air quality area, but not only on that topic of the air quality, but also on other topics, such as, for example, dealing with waste or water, and other topics of environmental -- in the environmental area.

Thank you for your attention.

CHAIR NICHOLS: Thank you. May I ask a question I think it's probably better now. You've presented a very comprehensive program and appreciate your taking the time to educate us about what you're -- what you're doing.

I'm just curious to know what kind of resources you have available to you to implement this program in terms of staff, and contractors, and so forth?

DR. QUINTERO(through interpreter): Lack of resources is actually an issue. Precisely the place where I work, the secretary where I work least resources to work on these programs. That's why it's so difficult to actually implement and do successfully all the activities
that we're explained in my speech, in my presentation.

CHAIR NICHOLS: Thank you.

Okay. We have two witnesses who signed up to speak. Mr. Romero from Imperial County Pollution Control District, Air Pollution Control District, and then Luis Olmedo from the Comite Civico.

MR. ROMERO: Good morning, Chairwoman Nichols and members of the Board. My name is Reyes Romero, and I'm am the Assistant Air Pollution Control Officer with Imperial County Air Pollution Control District.

I've been working with the air district for well over 25 years, and for the past 10, have represented Imperial County as the co-chair on the bi-national Border 2020 Air Quality Task Force. This committee is made up of United States and Mexican government agencies, including U.S. EPA, CARB, and Mexico's federal, state, and local environmental agencies such as SEMARNAT, city department of ecology and local government. Other members of this committee include local residents and academics from both sides of the border.

But let me start by thanking you for the opportunity to speak today, and state for the record that Imperial County and the air pollution control district are in support of CARB staff recommendation of approval of the Imperial County 2018 annual PM2.5 State Implementation Plan.
Plan.

Over the last year -- over the last decade, Imperial County has put a considerable amount of efforts in trying to understand and address our PM2.5 situation. One of Imperial County's unique features is also its greatest challenge when trying to improve air quality. Imperial County is one of California's international gateways, sharing a border with Mexicali, Mexico, whose metropolitan area has more than five times the population of the entire county.

As demonstrated in our SIP, the primary reason for PM2.5 levels exceeding the federal standard in Imperial County is the transport of emissions from Mexico. Throughout the SIP development process, the air district worked with CARB, U.S. EPA, the regulated community, and all parties to prepare and address concerns regarding the PM2.5 SIP. Our PM2.5 SIP process has been very transparent, and the air district has gone beyond required administrative procedures in an attempt to give the community ample opportunity to comment and be part of the process.

On April 5th, 2018, the air district conducted two public workshops to collect comments on the SIP. The first workshop was held in the morning in El Centro in our offices, the APCD offices, while the second workshop was
held late afternoon in Calexico. For the Calexico
workshop we had translation.

The air district considered written comments
received from the public during the public workshops, and
incorporated comments into the draft SIP as appropriate.

The same day, April 5th, the air district -- the
Air Pollution Control Advisory Board met to discuss the
SIP. The APCD Advisory Board recommended by a majority
both to approve of the 2018 annual PM2.5 SIP.

Finally, on April 24, 2018, Imperial County Air
Board unanimously approved in a public hearing the PM2.5
annual SIP.

Now, I would like to publicly thank CARB staff.
That includes Michael Benjamin, Sylvia Vanderspek, Webster
Tasat, Elizabeth Melgoza and the air district -- my time
is up -- and the air modeling team for all their long,
hard work and efforts in assisting the air pollution
control in developing and approval SIP.

CHAIR NICHOLS: Thank you. Okay.

Okay. Mr. Olmedo.

(Timer went off.)

CHAIR NICHOLS: Well, it's all over.

(Laughter.)

CHAIR NICHOLS: Here you go. Thank you.

MR. OLMEDO: Good morning. My name is Luis
Olmedo. I'm the Executive Director of Comite Civico Del Valle. I'm from the Imperial Valley. I've lived -- I was born in Mexicali. I've lived in Imperial Valley my -- most of my life. And our organization is focused on public health, environmental health, environmental justice. And following your direction, I'm probably just going to read a little bit of my letter. But most of all, I just do really quickly want to say that if you look at this document about 60, 70 percent of it is boilerplate. A lot of these prints could have just been summarized or put on, you know, a couple papers. Probably substantive, if you look at, if you flip through these pages, probably about 10 percent is really substantive material.

I think that the fact that we continue to blame Mexico, I agree that they have enormous amount of impacts, but we have not gone far enough in the Imperial Valley. You know just -- for those of us who live there, we know like just up wind or in the direction of the prevailing winds of Calexico, which is one item I'd like to focus on. I mean, we have geothermals. We have feed lots. We have agriculture. We have heavy industry. We have cement batch companies. We have pesticides.

None of this is being referenced as to what are we going to do more and go beyond in terms of regulations.
You know, the one regulation that keeps -- that is mostly identified here as a new measure is wood stoves. I mean, I don't know how many of you have been to the -- I know some of you have been to Imperial, perhaps all of you. We live in the desert. It's where the sun spends its winter literally is our slogan.

I mean, you know, we don't live in the mountains. We don't live in the hills. We don't live in cold areas. I mean, with climate, you know, change and we've seen more hot weather in our region. Salton Sea is a big issue. You know, there's an enormous amount of things that we can do locally, and it's not reflected here.

And, you know, while I appreciate ARB's staff, and I know that the education components have been done and in a collaborative way, and I appreciate a lot of the highlights on that, we really need to focus on the science, on substantive materials, on interventions. I appreciate Dr. Margarito coming out here, because he's always been a champion of health.

But, you know, some of these deadlines, I mean, we're promising things that are going to be happening in Mexico. I mean, I think their presentation was -- seemed to have more substantive actions and activities. So ultimately, I just want to say that evaluating the influences of air quality, the differences between the
U.S. and Mexico side and international border are most pronounced in terms of emissions sources.

And the U.S. side within Imperial County, sources of direct PM2.5 emissions consist of fugitive dust sources, including dust from unpaved roads, unregulated facilities, geothermal, natural gas, mobile sources originating from the U.S. solar farms, hay compressors, animal feeding operations, criteria contaminants and emissions. Need to help achieve ambient air quality standards by maintaining effective air quality monitoring, measuring networks, providing real-time access to data, support climate action, reducing greenhouse gas.

To date, none of these goals have been met and our air quality is getting worse. Well, I appreciate a lot of progress happening, I really like the collaborative spirit of this, but we need more substantive materials. And I that ARB can help us achieve that goal.

Thank you.

CHAIR NICHOLS: Thank you very much.
I believe that concludes the witnesses who wanted to speak on this item.

We do have -- before we proceed to Board member discussion, I did receive an email version of a letter from our Board Member, Assembly Member Garcia, urging that we adopt the SIP that's before us today. So I just wanted
to note that fact.

Any discussion or questions from the members?

Mr. De La Torre.

BOARD MEMBER DE LA TORRE: I think it was mentioned in passing, and it was in one of the graphics here, but it's pretty clear to me that in addition to all the things we just talked about, this Salton Sea, and the Colorado River delta play a huge role in what's taking place in that area. The wind is kicking up everything. I was just joking that the Colorado River delta is Mexico's Owens Valley, because we take all that water, and there's not a whole lot left by the time it hits down there. What should be marsh land is dry dust.

And so it just seems to me that that impact, and I know the representative from Baja, California Norte alluded to it. But it's clearly part of the problem here. And so that's difficult. I think as much as we address all of the sources that we just talked about on both sides of the border, that problem is still going to be there. And so it's -- it's tough. You can do all you can on the man-made side. And well I guess technically both of those are man made.

So it's a difficult thing. I'm very supportive of this, but I think we need to be honest about the root cause of what happens in that region.
CHAIR NICHOLS: Thank you. Other Board members?

Yes, Ms. Takvorian. It's closer to your part of the world.

BOARD MEMBER TAKVORIAN: It is. Thank you. Appreciate everyone's comments and the collaborative attitude that's here, and the staff's presentation, and the recognition by the staff, I want to note, of not only the limitations with the actions that can be taken under the SIP given the sources in Mexicali, but of the local measures that can be taken to reduce air pollution. I have to say though that, you know, people's lungs, whether they're in Mexicali or in Calexico, and I think you said this, don't know the difference.

So our obligation is to really figure out how we move forward. And the more global situation is that the industrial activity in Mexicali has blossomed due to the other truth that needs to be told is as a result of international trade agreements that provide very few resources as Señor Quintero mentioned, for regulatory infrastructure. So U.S. companies and other foreign companies benefit from these agreements, and the U.S. residents suffer with the impacts.

So I -- I'm concerned, because I don't think that many of the measures that are described on slide 14 are actually regulatory. And I wanted to lift up Mr. Olmedo's
comment that we need to do as much as we possibly can on
the U.S. side. And I appreciate that the staff mentioned
the other programs that are coming forward. And I think
it's really important that they are maxed out, however you
want to technically say that, so that we get the best
benefit we can in the Imperial Valley.

But I'd like to see us also go farther and offer
our assistance in Mexicali for some of the programs that
have worked so well in the -- in California. And I think
particularly of the heavy-duty truck programs that we
have, I think there are -- these programs are -- this area
is ripe for assistance in that regard. And I think it is
impacting U.S. residents, and it is another port of entry
as we are assisting other ports.

I think the border ports of entry have been
neglected in a lot of ways. So I know that that's not
necessarily part of the SIP, but I wanted to see if we
couldn't get that on the list of things that we can
consider for the future, because it's obvious from Mr.
Qunintero's presentation that everyone is open for a lot
of collaboration. And I think that if we can start to
provide that kind of assistance, that that would go a long
way. Thank you.

CHAIR NICHOLS: I'd like to ask staff, if they
can address this issue of what kind of assistance they are
providing in Imperial, and what they might be capable of
doing to further that.

AQPSD DIVISION CHIEF BENJAMIN: This is Michael
Benjamin.

CARB staff have been engaged with our Mexican
colleagues for many years in providing assistance in a
number of areas. And this includes a long history of
working on supporting their air monitoring program. And
as Dr. Quintero referenced that we have provided air
monitoring equipment to them. We have also helped them
with auditing of their air monitor stations. We provided
training for their staff. And then we've also secured the
two-year air monitoring program that was referenced in the
staff presentation where we have collected and we're now
analyzing very, what we consider, very robust data.

We have done some preliminary work looking at
what we're seeing in Mexicali. And it really corroborates
what we're seeing from our site in Calexico. And so in
terms of the major sources in Mexicali and how they're
impacting air quality. And so that's a very valuable
effort this enhancement of our air monitoring
capabilities.

We've also been engaged with the Mexican
government through the California Mexico MOU looking at
strategies for reducing emissions, not just of some of the
sources that were referenced by Dr. Quintero, but also mobile sources looking at opportunities for tighter vehicle emission standards in Mexico, strengthening their I&M program, and also looking at addressing climate change. So we have had a long relationship working with our Mexican colleagues, and also with U.S. EPA Region 9 in securing grants.

Some other activities that have taken place along the border that were referenced in the staff presentation were the truck idling study that was done at the ports of entry, which is an important piece of information to help us to understand the impacts of those vehicles. And also Region 9, and we've been working with them on paving roads in Mexicali, which is something that will help to mitigate the dust emissions.

CHAIR NICHOLS: Well, that's helpful. And I realize that this is an issue which has been around for a long time. Although, in some respects, it's been exacerbated in recent years, as has been indicated by the growth. And, you know, the growth was needed in some respects, but obviously has lead to some unacceptable conditions on the U.S. side of the border.

And, you know, again, it was clearly stated at the beginning. But just to underscore, you know, the Clean Air Act is a limited tool in the sense that legally...
the side of the border that we're dealing with here is only responsible for the things that are within the U.S. boundaries, and what happens on the other side is not required to be addressed in the SIP.

And it's even questionable, I suspect, whether it's enforceable through that particular mechanism. Nevertheless, I think it's pretty clear that the problem is not going to go away by itself, and that there is a need for more action in this area. And it's also clear that the region that we're talking about is one of our most clear -- most obvious environmental justice communities, and again has been for a long time.

And so I -- Dr. Balmes just put his hand up, and I'll call on you in a second, but I just want to finish the thought, the thought being that it seems to me this would be a good time to be working with our colleagues, both in the Imperial County and in Mexico to try to develop a workplan for a more accelerated effort to turn some of these ideas into real programs that are enforceable, and for us to put that forward. And if it requires budgetary attention, well, I think this is probably a good time to do it, given the interest that we're clearly seeing from our legislature.

So I'd like to specifically request that you come back to the Board within a fairly reasonable period of
time, like, I don't know, 90 days or something, with a
suggestions about what we could do to move forward.

Dr. Balmes.

BOARD MEMBER BALMES: Thank you, Chair Nichols.
First of all, I want to apologize. I'm doing double duty
today. I'm Chair of the Synthetic Turf Scientific
Advisory Panel that our sister agency OEHHA is running.
So I'm back and forth.

But I wanted to take the opportunity, and it
really actually follows from the last couple comments.
How important the Comite De Civico IVAN study was here.
This is an example of what we can do with AB 617. I think
this is a model. The community monitoring picked up
levels that the regional air quality monitoring station
did not in terms of exposures of the public. So I just
want to highlight that the IVAN program is, I think, a
model for what we can do elsewhere in the State.

CHAIR NICHOLS: Thank you.
Yes. Senator Florez.

BOARD MEMBER FLOREZ: Yes. Thank you.
Just for -- I do have a question generally on
SIPs, but hopefully I'll return to that.

But on this specifically, you mentioned the
Mexico connection. How reliable is the data truly from
Mexico? In other words, you know, it seems to me looking
at this it was released in 2008, or something of that sort. Is that the data set we're using? Because it's 2018 now, so I'm just wondering if we're using decade old data, as we start to look at what we're comparing and how we're complying?

AQPSD DIVISION CHIEF BENJAMIN: So you're correct that SIPs -- the control measures in the SIPs are based on some foundational science, which is primarily the air quality monitoring data and the emissions inventory.

For California and for Imperial Country proper, we feel that that's a very robust data set. But you're correct that we have, and I would have to say that Region 9 as well, has serious misgivings about the quality of the air monitoring data and emissions inventory data in Mexicali. And this is no offense to my colleague from Mexicali, but I think there's acknowledgement on both sides of the border that there are not sufficient resources for them to develop very robust emissions inventories, and a sustainable air monitoring network.

With that in mind, EPA Region 9 has actually provided funding over the years for Mexicali to do a more robust emissions inventory with the assistance of a contractor. And likewise, the establishment of these two air monitoring sites in Mexicali, again with the assistance of a contractor.
We've also -- ARB staff have been working with our Mexican colleagues for decades on trying to enhance their institutional capabilities. And quite frankly, what we have observed is that with every Mexican election there is essentially a complete turnover in some cases of staff. They have serious budget issues. And we have learned that their air monitoring staff, for example, have gone many months without being paid in some cases, yet have continued to try to operate their sites.

So at the end of the day, what we end up doing in trying to assemble these SIPs, especially as regards the quality of the data on the Mexican side is to rely upon contractors that ultimately we end up paying for, either CARB or U.S. EPA.

BOARD MEMBER FLOREZ: Okay. I'm just -- you know, I'm just -- maybe just for a thought, you know, how reliable is the plan, if it's, you know, 50 percent or so surety that the data is so hold or decades old, and in some cases, kind of puts into question a bit like how reliable this becomes. So I'll just leave that for as it is, because it's not going to change here.

The other question I have regards enforcement. And so Imperial APCD has an enforcement protocol, AQMD has an enforcement protocol, how do those match up? I mean, are they comparable? Is one better than the other?
Should they be working together in a better way? Maybe
get your thoughts on that.

AQPSD DIVISION CHIEF BENJAMIN: Fortunately, I'm
not -- I don't also have to wear the Enforcement Division
hat.

(Laughter.)

AQPSD DIVISION CHIEF BENJAMIN: But I have had
numerous conversations with my colleague Dr. Todd Sax
about what we can collectively do to address and enhance
and understand the quality of the enforcement activities
that are taking place in Imperial County. And Dr. Sax is
in the process of going through that evaluation. Our
staff have also done some assessment. Our feeling at this
time is that the district is actually doing a lot in this
area. They have made some significant improvements over
the past several years with Mr. Dessert becoming the APCO.
I think their program is getting stronger in that area.

But we're also recognizing that our role in terms
of submitting the SIP to EPA is that we need to stand
behind it, and not just the adoption of the new rules, but
their enforcement and implementation. And so we -- as we
move forward with implementation of this SIP, we're going
to be tracking very carefully how well does the district
do in actually enforcing what they're adopting.

BOARD MEMBER FLOREZ: Okay. And just the last
comment. It seems as you're looking at that, and for Mr. Sax to look at both enforcement policies. At least in these types of districts, I know we're only as good as enforcement. And maybe looking at AQMD, looking at the current rules, and see how that could be enhanced or they can work together in a more comparable way. I know that's out of your sphere, but it seems as though that kind of analysis would be valuable to the Board, and more importantly be valuable to you and your work, so that some how these policies -- one might be better than the other. They may be working against each other. They could work better in tandem. Maybe that's some of the analysis as we continue to have these conversations.

Thank you.

CHAIR NICHOLS: Okay. Other Board member comments?

Yes, Ms. Berg.

VICE CHAIR BERG: Thank you, Chair.

In looking at our presentation, one thing that jumps out at me is I seem to be missing the chart that shows me, you know, the statistics as to where we are today, and where we're going to be going. And I assume that that is probably because we're in an extreme nonattainment situation, and not getting better, so we're not looking at numbers.
AQPSD DIVISION CHIEF BENJAMIN: Actually, in Imperial County proper, the -- it's -- we're in moderate attainment status. The situation is -- primarily the major problem in Imperial County is the status of Calexico.

VICE CHAIR BERG: Right.

AQPSD DIVISION CHIEF BENJAMIN: So the other two sites, the other two regulatory sites in Imperial County actually currently are attaining.

CHAIR NICHOLS: They meet the standards.

AQPSD DIVISION CHIEF BENJAMIN: And so it is really truly a border impact. It is transport from Mexico that is preventing Imperial from attaining at this time. Even if we were to zero out -- and we've done this. Model the emissions -- you zero out all the emissions in Imperial country, they're still not going to attain.

VICE CHAIR BERG: So those would have been maybe a chart that would be great to see in the future, just so that we can keep things in perspective.

I really do appreciate Chair Nichols' recommendation. Would highly support that. And because of that recommendation, I'd be able to support the SIP as well, because I do think this is an opportunity with the community's involvement for us to be helpful, and also to really put some effort into accelerating. Appreciate
staff's effort - as Mr. De La Torre pointed out this is not an easy - and everybody else up here well. And so I really do appreciate the effort.

BOARD MEMBER RIORDAN: Madam Chairman?
CHAIR NICHOLS: Yes.

BOARD MEMBER RIORDAN: I'd like to move then the staff recommendation to approve Imperial County's PM2.5 plan as a revision to the California SIP.
CHAIR NICHOLS: Thank you. Moved by Mrs. Riordan.

Seconded by?

VICE CHAIR BERG: Second.

CHAIR NICHOLS: Mrs. Berg.

Okay. We will vote. I do have another comment to make. It's really sort of not intended to interfere with the vote. So why don't we go ahead and take the vote. All in favor of adopting the Imperial County SIP as presented, please say aye?

(Unanimous aye vote.)
CHAIR NICHOLS: And opposed?
And abstentions?

Okay. Just one comment before we move on. And that is really in response to what Mr. De La Torre said about the issue of wind-blown bust. Having spent way more time in my career on this issue than I ever would have
imagined possible --

(Laughter.)

CHAIR NICHOLS: -- beginning in the days of the reductions in the size of Mono Lake, and looking at the Owens dry lake, this is an ongoing issue which is not going to go away. And the actions by a very determined, very committed board in Inyo county area ultimately resulted in the diverter of the water, Los Angeles -- City of Los Angeles having to spend many millions of dollars on coming up with solutions -- technical solutions to attempt to deal with the dust problem in a situation where their ability to put water back into that dry lake was extremely limited, if not, you know, next to impossible.

So there has been water going back in to creating some wetland areas to bring back and provide habitat for birds, and plant life and so forth. But in terms of the way of addressing the actual dust problem, it's been other sort of not very attractive solutions at the end of the day.

And after many, many years, that situation has been, at least for the time being, I think, resolved. That is the litigation has been resolved, and that there's relative peace. But the Salton Sea is not in that situation. The Salton Sea is still very much in contention. And how that's going to be fixed is something
that's not exactly within the Air Board's jurisdiction, but it is something that we have a very keen interest in, and should be, I think, at least keeping an eye on, if not finding ways to involve ourselves in it. Because ultimately, as the sea gets smaller and the exposed area gets bigger, it will be a bigger and bigger problem for the people who live in that region.

So that's just my closing comments on this issue, but we don't get to -- we don't get to talk about Imperial very often. So while they're here, we might as well bring up all of the questions. And yes, Senator Florez.

BOARD MEMBER FLOREZ: Thank you, Madam Chair.

Since we're on the topic of SIPs, if it's okay, I'd like to just ask a couple of questions of staff.

CHAIR NICHOLS: Yes.

BOARD MEMBER FLOREZ: And, of course, going to return back to our -- let's see our meeting in Fresno, on the San Joaquin Valley plan, where we had a pause, and we had an opportunity to try to pull together more dialogue. It's been a while since that meeting. So I'd just like to get a, if I could, a status of that particular SIP, number one.

And then I'd like to, within the context of that, to give us how much more work is outstanding, given that pause?
DEPUTY EXECUTIVE OFFICER KARPEROS: Senator Florez, Kurt Karperos. I'll try to answer your question. We've briefed you and the Board a couple of times since we took the pause. I believe in the last briefing that we gave you, we told you that in terms of the air quality modeling, we were close but we didn't yet have nailed down a set of strategies that would provide for attainment for the spectrum of PM2.5 standards that face the valley.

About two months ago, we finished refining, based on some information that we got from the district about their residential wood burning measure proposal. We were able to conclude that we now do, in fact, have a set of strategies that can provide for attainment in the San Joaquin Valley.

BOARD MEMBER FLOREZ: Okay.

DEPUTY EXECUTIVE OFFICER KARPEROS: So that last increment that we had yet to nail down, we believe we've now nailed down.

One caveat to that is there does remain one area southeast of Fresno that the air quality modeling still shows is high. And, in fact, myself and Mr. Corey and another -- others -- part of an ARB team will be down actually touring that area where the modeling says we're seeing -- still seeing some higher values than we would
expect, to try to understand what those sources are.

BOARD MEMBER FLOREZ: Okay.

DEPUTY EXECUTIVE OFFICER KARPEROS: So from our perspective, the heavy lifting on the technical work is now done.

ARB staff is wrapping up a couple of additional analyses, which are really sort of confirmational analyses that are required in a SIP. And we'll be delivering those to San Joaquin in the next couple of weeks.

BOARD MEMBER FLOREZ: Okay. So let me -- so thank you, and thank you for the staff, and thank you for checking on that last piece. So it sounds like we're right on schedule with a lot of work being done. Where is the district in this public process? What's their plan?

DEPUTY EXECUTIVE OFFICER KARPEROS: So they have indicated to us that they intend to release a draft of the plan next month. We have been sharing with them our analysis. We are looking to see their version of their final measures, particularly was it -- when it comes to residential wood combustion, cooking, and then quite frankly the reflection of the very large influx of incentives that have been made available to the district, approximately $190 million under the 617.

BOARD MEMBER FLOREZ: Okay.

DEPUTY EXECUTIVE OFFICER KARPEROS: So we're
looking to see that from them in the next couple of weeks, and then a public process from the district after that.

BOARD MEMBER FLOREZ: Okay. So let me -- I won't ask anymore questions other than a couple of comments for the Board's -- any comments obviously from us as well. But it seems to me we're just nearing the finish line. But what normally happens in my view only, my opinion, is that the Board will have a public process. It will present a plan. It will take some of what you have suggested or not take some of what you've suggested, and the EJ groups and the interest groups that are worried about pollution and some PM issues will watch.

And it will be almost a spectator sport where we're watching the district close this out. And so I'm asking -- I would like to know if we could have a joint convening well prior to the plan coming here with ARB participation in that joint convening, and making sure that we have ample opportunity for environmental justice groups to participate in that joint meeting. That's number one.

And number two is I'd like to see if staff could go through the plan and report back to us prior to in June on your opinion on kind of where we're at after that joint convening, and more importantly how you feel about this at the point in time. It's great to do all the work, but the
air district kind of rushes to close in June with very little incorporation of what -- our work. That would be concerning, because then we're right back where we were in Fresno, which is let's send another plan to an EPA, and let's let the EPA come back and say not good enough, not thorough enough.

But here's the problem, this isn't the same EPA. So the problem is this is an EPA that will probably say, not good, not thorough, good, in my view only. And this is what our role, particularly now at this point in time, is critical, super critical that it pass the muster of this Board, even more so than sending a somewhat good plan to an EPA that is likely to say okay. So this is the -- the thought process is joint meeting, get the EJ groups and others to -- in that meeting, have staff look and please comment back to this Board on how you feel about the plan, because I know if it comes here, I know I'm probably not prepared to vote for anything less than what staff feels comfortable as a win, and what most EJ groups feel as being part of the process. So that would be my request, Madam Chair. I don't know if that's possible. It seems to be a better process.

CHAIR NICHOLS: Thank you for the comment. And I agree with you that we're at a point in the case of the San Joaquin Valley, where we've spent a lot of time trying
to get an acceptable SIP, and we've heard a lot from the district, of course, and much has happened that I think has moved in the right direction, but nevertheless, there's also a very high degree of concern I think on the part of both our staff and many of the community groups about whether the SIP is as good as it could be, and should be, and needs to be.

So what you're proposing is a way to try to help use ARB's authority in this situation to move this in -- further in a direction that we would find acceptable. And I think it's a good suggestion. I'm not quite sure what we're asking of the staff at this moment, other than the -- you know, to give us -- back a more specific timeline, and opportunity to intervene appropriately before it's all cooked. I think maybe that's the best way to say it.

And I'll ask Mr. Corey if he wants to comment on this.

EXECUTIVE OFFICER COREY: Yeah. I got the -- we've got the message. And I think I'd like to regroup with the team in terms of steps, but the message in terms of engagement, heavy level of engagement, at the district level and the district's consideration of the plan, public engagement, environmental justice, EJ involvement in that process, as well as a touchpoint with this Board prior to
its consideration and action on the fall package. So I'll circle with Mr. Karperos and work out what those mechanics. But those will be the key themes that will be reflected in terms of how we proceed.

CHAIR NICHOLS: Yes. And I might just suggest that one thing you should look at is that, you know, time for this Board is very limited in the sense that our Board meetings are packed, or I believe they will be for the remainder of the year, given what I know about our agenda. And it's a big Board, and it's also hard to move Board meetings around, when you're trying to bring everybody together.

So one thing you might want to consider is the possibility of whether we would convene a subcommittee of, you know, more than one but less than the full Board, to perhaps take some responsibility for actually convening in the region, and doing some more public convening there.

EXECUTIVE OFFICER COREY: Very good. I think that's on point, and that's what we'll circle on. Thank you.

CHAIR NICHOLS: Okay. Thank you very much. Thanks for raising that issue.

Are we ready to move on then to the next item, which is

AQPSD DIVISION CHIEF BENJAMIN: Chair Nichols?
CHAIR NICHOLS: Yes.

AQPSD DIVISION CHIEF BENJAMIN: This is Michael Benjamin.

CHAIR NICHOLS: Yes.

AQPSD DIVISION CHIEF BENJAMIN: I just have a suggestion.

CHAIR NICHOLS: Okay.

AQPSD DIVISION CHIEF BENJAMIN: In terms of the assignment regarding coming back with a 90-day workplan --

CHAIR NICHOLS: Yes.

AQPSD DIVISION CHIEF BENJAMIN: -- regarding Imperial County.

CHAIR NICHOLS: Yes.

AQPSD DIVISION CHIEF BENJAMIN: I'd like to suggest that we come back in October, because that's the same time at which we will be coming back to the Board with the PM10 plan for Imperial County. And so rather than have two separate --

CHAIR NICHOLS: Let's combine the two. Good plan.

AQPSD DIVISION CHIEF BENJAMIN: It would make sense, I think, for us to come back with a proposed workplan for addressing PM2.5 at the same time.

CHAIR NICHOLS: I think that's a good suggestion. I'm pretty sure that will be acceptable to the Board.
Okay. Thank you.

AQPSD DIVISION CHIEF BENJAMIN: Thank you.

CHAIR NICHOLS: Yes. So we closed the record.
We had a vote. We're all set.

Okay. So let's move on to the next, item which is the adoption of proposed amendments to the Consumer Products Regulation and CARB test method 310.

Sorry. It's funny that, you know, we have numbered test methods, but I guess what else would you do. You can't exactly name them all.

Okay. CARB's Consumer Products Program is a critical part of our effort to achieve reductions of volatile organic compounds, otherwise known as VOCs. We were the first area in the nation to begin regulating emissions of VOCs from consumer products. And since 1990, we've reduced overall VOC emissions by about 50 percent, even as California's population has grown by a third.

However, with consumer products remaining one of top three sources of VOCs in California, we must continue to ensure that our consumer products regulations are achieving anticipated emissions reductions. And just to clarify that even a little bit further, VOC's are -- have been on our radar screen both because of their role as smog precursors, and also because individually many of them also are toxic. So having said that. Let's move on
to the introduction, Mr. Corey.

EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

Developing effective VOC regulations for consumer products is challenging due to the thousands of diverse products in the marketplace. Today's proposed amendments are designed to bridge agency, industry, and consumer interests by ensuring needed ozone air quality benefits, while providing compliance options for meeting our emission standards.

In 2008, the Board adopted a 10 percent by weight VOC limit for the multi-purpose lubricant category of consumer products. Although technically feasible, staff have since found that the traditional mass-based control strategy in some cases compromises product performance, and are therefore returning with amendments that would allow an alternative reactivity based compliance pathway.

Today's amendments also include updates to the test method that will enable CARB to ensure industry is complying with the difference -- different compliance pathways.

I'll now ask Dan Daniel Garrett of our Air Quality Planning and Science Division to provide an overview of the program and present the proposed amendments.

Daniel.
(Thereupon an overhead presentation was
Presented as follows.)

AIR POLLUTION SPECIALIST GARRETT: Thank you, Mr.
Corey. Good morning, Chair Nichols and members of the
Board.

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AIR POLLUTION SPECIALIST GARRETT: For today's
presentation on the proposed amendments to the Consumer
Products Regulation and method 310, I'll start with an
overview of the Consumer Products Program, including some
of our more recent activities.

Next, we'll look at the multi-purpose lubricant
product category, and give you an overview of the
technical assessment we conducted for this category, and
what we found in that process. After that, we'll cover
staff's proposed amendments, which would create an
alternate compliance option for multi-purpose lubricants,
that includes a VOC and reactivity limit. And I will
conclude today's presentation with staff's recommendation
for your action.

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AIR POLLUTION SPECIALIST GARRETT: We'll start
with a brief description of the Consumer Products Program.

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AIR POLLUTION SPECIALIST GARRETT: In 1988, the
California legislature directed the California Air Resources Board to adopt regulations to achieve the maximum feasible reduction in volatile organic compounds, or VOC's, emitted by consumer products in order to meet ambient air quality standards. CARB has been developing and implementing the consumer products regulations for 30 years to reduce VOC emissions within California. Three regulations have been adopted to establish requirements for various types of consumer products. And two regulations have been adopted to provide compliance flexibility.

There are also federal consumer product regulations. But as allowed by federal law, CARB regulations are generally more stringent and cover a wider range of categories, a wider range of categories than the federal regulations.

By State law, CARB is also required to achieve the maximum reductions in VOC's that is technologically and commercially feasible. We cannot eliminate product forums, and we have responsibilities under AB 32 to reduce emissions of greenhouse gases from consumer products.

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AIR POLLUTION SPECIALIST GARRETT: So what exactly do we mean by consumer products?
Consumer products are defined as chemically
formulated products used by household and institutional consumers. A few examples of consumer product categories are listed on this slide. New products are constantly being introduced on the market. And our job is to make sure that those products are having the smallest possible impact on California air quality, which can be a challenging task.

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AIR POLLUTION SPECIALIST GARRETT: Among the challenges of regulating consumer products is that VOCs are often the compounds that make the product work. They are also the propellants used in aerosol products, and are the ingredients that provide a product's scent or fragrance.

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AIR POLLUTION SPECIALIST GARRETT: In addition to regulating VOC content through developing an interpreting our consumer products regulations, there are numerous ongoing implementation activities. We have a fully equipped laboratory and staff to analyze products for compliance, and enforcement investigators to detect and pursue rule violations.

The program also offers compliance flexibility with emissions averaging an innovative product programs. Staff reviews, approves, and carefully tracks these
programs to ensure that overall emission reductions benefits are maintained.

Because the market changes rapidly, and California's population continues to grow, we update the emissions inventory. When requested, we also assist other agencies, and we report to the Board on specific issues as needed.

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AIR POLLUTION SPECIALIST GARRETT: The program has multiple control approaches in place. To control VOC emissions, we use both mass-based and reactivity-based standards. Under a mass-based approach, standards are set to limit the total amount of VOCs a product can contain. For example, the multi-purpose lubricant category currently has a 25 percent by weight VOC limit that is set to change to a 10 percent by weight VOC limit at the end of this year.

Under a reactivity based approach, standards are set to limit the ozone forming potential of emissions from the use of a product. This strategy considers the maximum incremental reactivity, or MIR, of an ingredient, and requires the use of less reactive compounds. Reactivity is the concept that each compound has a different ability to form ozone, and the reactivity of ingredients is quantified and compared using the maximum incremental
reactivity scale, or the MIR scale.

Our proposed amendments to the consumer products regulation pertaining to multi-purpose lubricants, which will be presented today, uses the reactivity-based approach combined with the mass-based approach to control ozone formed by VOCs.

We also prohibit the use of certain chemicals that have been classified as toxic air contaminants, which I will touch on a bit later. And we prohibit compounds that have global warming potential, or GWP, values greater than 150 in certain consumer product categories.

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AIR POLLUTION SPECIALIST GARRETT: Emission reductions from consumer products are an important part of the State Implementation Plan. While each individual can of lubricant, or glass cleaner, or deodorant may be a small emissions source, the combined use of consumer products by nearly 40 million Californian residents results in the consumer products sector being a significant source of emissions.

We estimate the ROG emissions from the use of consumer products constitute about 14 percent of the statewide inventory, though the category we are addressing today makes up less than a half a percent of total California emissions. Because consumer products' ROG
emissions continue to grow, as California's population grows, further reductions will be necessary in the future.

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AIR POLLUTION SPECIALIST GARRETT: The past 30 years have been productive ones for the consumer products program. The Board has set more than 140 different mass-based consumer product category limits, and about 35 reactivity based limits that combined have reduced emissions by 220 tons per day. We control toxic air contaminants, including methylene chloride, perchloroethylene, and others in nearly 80 categories.

These efforts have resulted in almost 13 tons per day of emissions reductions. And we have limits on greenhouse gases, and around 20 categories that are responsible for approximately 0.23 million metric tons of carbon dioxide equivalent emission reductions every year.

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AIR POLLUTION SPECIALIST GARRETT: But work is nowhere near done. Even with this progress, new lower ozone standards are sure to require more emission reductions from consumer products in the future. Recently, we have been working towards our SIP commitments, and have conducted a comprehensive three-year survey of all consumer products sold in the state, our most ambitious, and widespread survey to date.
We collected detailed information on product sales and ingredients that will be used to update our emission inventory, and help guide our future regulatory development. We also conducted a technical assessment of the 10 percent by weight VOC limit for multi-purpose lubricant products. The result of that technical assessment are the reason we are presenting regulatory amendments to you today.

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AIR POLLUTION SPECIALIST GARRETT: The Consumer Products Regulation defines multi-purpose lubricant products as lubricants designed or labeled for general purpose lubrication or lubricants labeled for use in a wide variety of applications. The multi-purpose lubricant category is a relatively small category with only about two and a half tons per day of reactive organic gases emitted statewide, and it accounts for a small fraction, about one and a quarter percent, of total consumer product emissions in California.

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AIR POLLUTION SPECIALIST GARRETT: The category has had VOC limits placed on it more than once over the years, first with a 50 percent limit set in 2003. Then in 2008, the Board approved two technology forcing limits, a 25 percent limit set to come into effect at the end of
2013, and a 10 percent VOC limit that was set to come into effect at the end of 2015.

We came to the Board in 2013 before that 25 percent proposed amendment became effective. With a proposal to extend the 10 percent VOC limit effective date for that product category. At that time, we had found that the reformulation of these products to meet the first of the technology forcing limits, that 25 percent limit, had proved to be more challenging for industry than we originally anticipated. The Board approved a three-year extension for the 10 percent by weight VOC limit, and directed staff to monitor industry's progress towards compliance. As I mentioned, that 10 percent limit is now set to come into effect at the end of this year.

We conducted the technical assessment to determine industry's progress in meeting that limit, and we discovered some interesting things during that process.

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AIR POLLUTION SPECIALIST GARRETT: The nature of this product category is such that it encompasses a broad range of products. So while some products that are mostly oils had largely always met the 10 percent limit, other products that required the use of solvents and propellants have not yet reached that limit.

The type of product that requires solvent and
propellant commands the vast majority of the market share, as illustrated by the chart on this slide. We found that the 10 percent limit was still proving to be a challenge. Although technically feasible, the traditional mass-based control strategy, in some instances, compromises product performance.

The products that do currently meet the 10 percent limit command a very low share of the market. We therefore believe a reactivity-based compliance pathway is appropriate.

We examined the ozone-forming potential of chemicals used in this category, knowing that not all VOCs create the same amount of ozone. Chemicals used in this category have varying reactivity values. While lowering VOC content in general is a good thing for ozone reduction and California air. When we examined the chemicals used in this category, we found some cases where further lowering of VOC content did not affect the reactivity of the product.

And we found that the ozone air quality benefits expected to be achieved by the 10 percent limit had mostly been achieved already by products meeting the current 25 percent VOC limit.

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AIR POLLUTION SPECIALIST GARRETT: With these
findings in mind, we went to work developing a way to lock in those ozone air quality benefits expected from that 10 percent limit, while providing flexibility to companies in the multi-purpose lubricant market, but also not disregarding the efforts that industry had made to reformulate. Through further examination of reactivity, we found that many of these products that still need to reformulate actually have lower ozone forming potential on average than many of the comparable products that meet the 10 percent limit.

This table shows the sales-weighted average maximum incremental reactivity, or the potential to form ground-level ozone of products that meet the 10 percent VOC limit at products that meet the current 25 percent VOC limit.

As you can see, looking at similar types of multi-purpose lubricants, the grams of ozone per gram of product produced by the products that meet the upcoming limit is slightly higher than the current complying market as a whole.

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AIR POLLUTION SPECIALIST GARRETT: We wanted to be sure that the 25 percent VOC content products do not have some other unexpected negative attribute. So we reviewed the formulations of the 10 percent compliant
products, and the products that meet the 25 percent VOC limit. We determined that the chemicals used in these products are very similar.

Because of this, we believe these products would not differ significantly in regards to flammability, and the potential for abuse as inhalents. This table shows the chemicals that are most prominent in the 10 percent compliant products compared with those chemicals in the 25 percent compliant products.

As you can see, the chemicals present in these two groups are very similar. It's mainly the amount of constituent chemical that varies.

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AIR POLLUTION SPECIALIST GARRETT: This information led us to the proposal before you today for an alternate compliance option.

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AIR POLLUTION SPECIALIST GARRETT: So what is this alternate compliance option?

If approved, companies would have the option to meet a reactivity limit of 0.45 grams of ozone per gram of product, while not exceeding the 25 percent VOC limit, instead of meeting the 10 percent by weight VOC limit.

How does the lock in the ozone air quality benefits of that 10 percent limit? The 0.45 PWMIR limit
is lower than the average PWMIR of the market share that
meets the 10 percent VOC limit.

This means that as long as products do not exceed
that 0.45, they would produce less ozone than the average
comparable 10 percent product in this group. That would
ensure that the ozone air quality benefits are maintained.
Manufacturers would not be required to use this option and
can still reformulate to meet the 10 percent VOC limit.

Companies choosing to use the alternate
compliance option would be required to provide their
information to CARB as part of qualifying for this option.
CARB would also collect sales data of any product using
this option for three years. The sales data, would be
used to determine what percent of the market is using this
option. Companies would also be required to keep up to
three years of production batch records of their product.
And this information would be provided to CARB in the
event of compliance testing for verification.

To ensure that manufacturers have adequate time
to evaluate their products and determine if the alternate
compliance option is appropriate for them. We are also
proposing that the effective date of the 10 percent VOC
limit be extended by six months to July 1st, 2019.

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AIR POLLUTION SPECIALIST GARRETT: Additionally,
we are proposing that the use of compounds with global
warming potential values of 150 or greater be prohibited
in the multi-purpose lubricant products, while high GWP
compounds are not currently used in multi-purpose
lubricants. This amendment, if approved, will mean that
high global warming potential chemicals cannot be used for
reformulation in this category. This would apply to
products meeting the 10 percent VOC limit, as well as the
alternate compliance option, and would ensure that this
category maintains its low global warming potential status
even as those reformulations may occur.

The proposed amendments are not expected to
increase product prices. We estimated the cost of
complying via the alternate compliance option using high
and low reformulation cost estimates.

In many cases, the cost of the alternate
compliance option is less than the cost to reformulate to
the 10 percent limit.

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AIR POLLUTION SPECIALIST GARRETT: While the
alternate compliance option would have reporting record
keeping, and in some cases, reformulation costs, the
flexibility provided is desirable to industry.

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AIR POLLUTION SPECIALIST GARRETT: The other part
of the proposed amendments we are presenting to day
pertain to method 310. Part of that amendment will be to
allow the method to be used in testing for this
alternative compliance option. Mostly method 310 is being
amended to include updates to reference method citations
and dates, to grammatical correction, and to include
reference methods for development and implementation of
standard operating procedures to be used with the
alternate compliance option.

We presented the alternate compliance option, as
well as the global warming potential and method 310
amendments to stakeholders during our two public workshops
on October 12th of last year and January 17th of this
year. And the response we received was generally
positive.

The industry stakeholders agreed that a
reactivity associated limit would be appropriate for this
category, and would give them greater flexibility in their
reformulation efforts.

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AIR POLLUTION SPECIALIST GARRETT: In conclusion,
we recommend that the Board approve for adoption staff's
proposal to amend the Consumer Products Regulation and
method 310.

Thank you for your time and consideration today,
Chair Nichols and members of the Board. We would be happy
to address any questions you might have at this time.

CHAIR NICHOLS: Thank you. I think we can
probably hold our questions until we've heard from the
witnesses here today.

We can start with Allen Price. And we have a
list up on the board there. There's five people who've
signed up. Welcome.

MR. PRICE: Thank you, Chairman Nichols --
Chairperson Nichols - excuse me- and Board members.

It's the first time I've spoke at a forum like
this, so if I appear a little nervous, I am.

(Laughter.)

CHAIR NICHOLS: You're doing fine.

MR. PRICE: Thank you. My name is Allen Price.
I am one of the product development chemists at RSC
Chemical Solutions, probably better known as Radiator
Specialty Company. We make and distribute a variety of
automotive and industrial products, including multipurpose
lubricants. My expertise is in the area of aerosol
product development.

So we are actually not -- we are in -- somewhat
in opposition of the amendment as it is written. We feel
that a 10 percent VOC limit is obtainable. We've found
that we have product formulations that are -- meet the 10
percent VOC limit, also meet the 0.45 MIR, are cost
competitive in the market, and have performance and
appearance -- no real performance or appearance issues in
the market.

We feel that the industry is quite capable of
meeting the 10 percent or lower VOC regulation, and we
also feel that it's desirable due to the removal of the
flammable and our toxic VOCs that are currently in these
products. These can be replaced with less toxic, less
flammable materials, not only helping the product meet
CARB regulation goals, but also making the products less
flammable, less hazardous, and potentially less toxic.

You can pick chemicals, and solvents, and low
vapor pressure solvents that do reduce the overall
hazardous nature of these products. So basically, we feel
that the industry can be pushed to do both an MIR and a 10
percent VOC limit with this proposal.

That's pretty much it for me. Short and sweet.

CHAIR NICHOLS: Well, thank you. You're shown on
this chart as being opposed to the regulation. Is that --

MR. PRICE: Somewhat opposed. As written, we
don't think it goes far enough with either or. We think
that we are really against removal of the -- we're against
the option of the 10 percent VOC not being allowed. We
think that it should be both. We are for the 10 percent
VOC option, because of the ability to make products less hazardous in areas other than MIR --

CHAIR NICHOLS: I asked a question, so you --

MR. PRICE: -- other VOCs.

But also, we are very much behind the reactivity based formulas. We feel that that is more environmentally sound as far as the date is concerned.

CHAIR NICHOLS: I see.

MR. PRICE: So we want -- we were okay with both.

CHAIR NICHOLS: Okay. Thank you.

Mike Freeman.

MR. FREEMAN: Good morning, Madam Chair, members of the Board. My name is Mike Freeman, and I'm chief strategy officer for the WD-40 company. You may or may not, but WD-40 was born in San Diego, California in 1953. We have since extended out to over 176 countries around the world. And all those countries we are sold in multiple trade channels, to multiple users. We're used in workshops, factories, and homes around the world. In the U.S., we're in over 90 percent of U.S. households, and used by in over 80 percent of U.S. businesses.

The reason we're able to do all of that is because we have over 2000 uses for our one product. And that's what makes us a little bit on the unique side. It's a challenging when it comes regulatory reformulation
because our challenge is how do we maintain the 2000 plus
uses to all these audiences, and all these different trade
channels and places.

So over the years, we've worked with CARB, and
we've reformulated WD-40 from 65 percent VOC content to 50
percent VOC content, to 25 percent VOC content, and now
have found a way to achieve 10 percent VOC content
benefits.

Today, it is with great pleasure that WD-40
supports the CARB staff recommendation. We've worked with
them diligently over many years to create products that
are still effective, but now not only effective, but are
also achieving the clear -- the clean air quality
standards on time.

And we're just creating a new way to achieve
this. So is just giving everybody another way to get to
the same goal. And so I would like to say thank you to
the CARB leadership and staff for a job well done. It's
been a pleasure working with you. We believe this is
truly a win-win situation, and how often does that happen,

(Laughter.)

MR. FREEMAN: So we ask for your support. We
think this is something to celebrate, and we ask you for a
yes vote. Thank you very much.
CHAIR NICHOLS: Thank you.

Is Mr. Bernarducci here?

Yes, there you. Okay.

DR. BERNARDOUCCI: Morning, Madam Chair, members of the Board. My name is Dr. Ernest Bernarducci. I'm a vice president for research and development for the WD-40 company. I've been with this company for 18 years. Our products, and in particular our WD-40 brand is recognized around the globe. I'm hoping everyone of you have a can, because I still have two daughters weddings to pay for.

(Laughter.)

DR. BERNARDOUCCI: So from -- if you can do that for me, if I can put that in here, it would be a good idea.

(Laughter.)

DR. BERNARDOUCCI: It's been an honor for me to work for a company for 18 years that has its -- as its first value that we do the right thing. When we mentioned before that there were many companies that had difficulty heeding the -- hitting the 10 percent level, we were one of those. And we've been working on it for a long time. That's why I'm here to support a yes vote for this amendment.

I'm also here to support the amendment as I mentioned, but more importantly to thank the CARB staff.
Their diligence and their strength in protecting our environment and our air, but more importantly their scientific courage to explore every option available to the industry to meet CARB's goals.

The concept of reactivity that you've introduced is a true science based strategy in dealing with the reduction of ozone emissions. The issue of reactivity has allowed the industry to obtain the required emission reductions, provide flexibility in how we maintain those reductions, and still allow a company like WD-40 to provide and maintain effective products for all its customers.

The Board needs to know and recognize the amounts of hours, flights, presentations, data sharing, questions, phone calls, and ultimately understanding that your staff has put into this solution. I cannot be more impressed or thankful with their ability to listen to allow us to come to new solutions, to push us to come to new solutions. There were incredible and it was an honor to work with them.

Again, in closing, the WD-40 company supports the use of reactivity, and the amendments that are put forth today. I thank you for your time.

CHAIR NICHOLS: Thank you. I'm not used to this. Somebody has to come up and say something controversial,
Mr. Raymond.

MR. RAYMOND: Good morning, Madam Chair, members of the Board and the staff. Well, I'm not the one to do it.

(Laughter.)

CHAIR NICHOLS: Okay.

MR. RAYMOND: Okay. My name is Doug Raymond from Raymond Regulatory Resources. I'm here representing the following: The WD-40 company from San Diego, California; the B'laster Corporation from Ohio; Finish Line from New York; Maxima Racing Products from San Diego, California; Shield Products from China -- or from Chino, California.

(Laughter.)

MR. RAYMOND: IKI from Wisconsin; Plaze Corporation from Missouri; Aeropres from Louisiana; Diversified CPC from Illinois; and the National Aerosol Association headquartered in Southern California.

All of these organizations support the staff's proposal, using reactivity as an alternate option to the 10 percent VOC, limit for multi-purpose lubricants. Most of these organizations have submitted prior comments. So I'm not going to go over those. The use of reactivity is truly a science-based concept. It has been proven by your aerosol coating reg that was put in several, several years
ago. And the National Aerosol Association was the first
organization to support that reg. And I was here when
that was happening. And I had a lot to do with it.

So I really applaud the staff for looking at the
reactivity option. It is very well a science-based
option. The proposed amendments maintain the required
ozone emission reductions for the SIP. And also provide
the industry with the much needed flexibility.

The staff has done an amazing job, as Ernie
Bernarducci talked about. They are to be commended on
their creativity and finding a way to meet the emission
reductions. We truly appreciate all the work that they've
done, their willingness to meet with us on numerous,
numerous occasions over multiple years, their willingness
to consider the options, and their thorough review of all
the technical data. That was truly impressive everything
they went through, all the data that was submitted to
them, and there summing it up into such small charts. I
mean, there was multiple -- there was just so much data it
was amazing.

I'd like to thank Dan and Jose, Ravi and Kurt on
working on this rule. And I guess you're going to have to
wait for somebody else to oppose it.

Thank you.

CHAIR NICHOLS: Thank you. I don't think the
next speaker is going to either.

MS. QUINONEZ: Good morning, Chair Nichols, members of the Board, and ARB staff. You're correct, I am not going to oppose this today either. My name is Nicole Quinonez. I'm representing the Household and Commercial Products Association. Apologies for missing the electronic filing deadline, but I believe our comments were just distributed to you all.

HCPA is the national trade association. We represent companies that manufacture and sell over $180 billion annually of products used for cleaning, protecting, maintaining, and disinfecting homes, and commercial environments.

During the past 30 years, our member companies have spent hundreds of millions of dollars to reformulate their products to comply with ARB's standards, and improve air quality in California while maintaining effective products that contributed positively to Californian's lives.

Our proud — we are proud to have contributed to the profound improvements that ARB has achieved in improving air quality for all Californians. The association represents companies that manufacture or market multi-purpose lubricants. The category of products contains a wide array of chemistries and technologies.
And our member companies have invested significant time and resources trying to develop effective products that meet the 10 percent by weight VOC limit. However, there are cases within the category in which this limit was not technically feasible. We commend ARB staff concerted efforts to ensure all interested parties had an opportunity to participate in an open and transparent public effort to develop a challenging yet technologically feasible reactivity-based alternative compliance option.

It provides flexibility for manufacturers to continue offering products with the performance that consumers expect, while achieving ozone air quality benefits that are equivalent to the 10 percent VOC limit. The bottom line is the proposed amendment will ensure that the ozone air quality benefits claimed in the SIP are achieved. In conclusion, HCPA supports the proposed amendments, and we will continue to work cooperatively with stakeholders and ARB staff to identify appropriate and feasible approaches for implementing ARB's statutory mandate to protect the health and safety of California residents and the environment.

Thank you.

CHAIR NICHOLS: Thank you very much. That concludes the list of witnesses. So we'll
close the record at this point. Any Board member questions or comments before we proceed?

Yes, Supervisor Roberts.

BOARD MEMBER ROBERTS: Yeah. Thank you, Madam Chairwoman. I would like to comment on this. It seems like we've been evolving these rules and improving them for quite some time. And it's really encouraging to hear the testimony today. I particularly enjoyed the testimony from the companies from San Diego.

(Laughter.)

CHAIR NICHOLS: I knew this -- there was a hook here.

BOARD MEMBER ROBERTS: Well, I thought Mr. Freeman, when he was kind of giving us a little of the history would share with us their name is not a arbitrary as it sounds. And some of you might be aware. First of all, it is ubiquitous. I've traveled to a lot of places, and I'm always amazed where I find it. And I've got enough cans in my own house to supply a small Army.

CHAIR NICHOLS: That's true.

BOARD MEMBER ROBERTS: But the name actually comes from their persistence in developing a formula that was effective. The WD stands for water displacement and the 40 was their 40th formulation where they finally got it right and launched their product. And I say that in a
positive way.

And it's an amazing company in many respects. I do like the fact that we have the positive testimony, because this is something that's been important to us, and worked on for a long time. Staff has been very diligent on this. So I'd like to move approval.

CHAIR NICHOLS: Thank you. Do we have a second?

VICE CHAIR BERG: I'll second.

BOARD MEMBER GIOIA: Do San Diego residents get discounts on the WD-40 or something?

BOARD MEMBER ROBERTS: No, I bout it at Costco.

CHAIR NICHOLS: Oh, Sorry. That's okay. Go ahead and ask it now that it's on the table.

BOARD MEMBER EISENHUT: Okay. I just wanted to ask one of the industry representatives, perhaps WD-40, is this now the national standard for formulation or do you have a separate California standard? I'm just curious about the impact of this regulation.

CHAIR NICHOLS: It looks like Mr. Freeman.

MR. FREEMAN: Thank you for the question. WD-40 at each one of those reformulations has a history of not just keeping it in California, but to take it to all 50 states, because the other 49 states have some air quality issues also. So if this is helping California, it's going to help them.
BOARD MEMBER EISENHUT: Thank you.

CHAIR NICHOLS: So it is de facto a national standard, even though we obviously only act for California. It's good to hear. Thank you so much.

All right. We have a motion and a second. I think I can call for the question at this point. All those in favor of adopting the proposed amendments, please say aye?

(Unanimous aye vote.)

CHAIR NICHOLS: Any opposed?

Abstentions?

Great. Thank you very much. This is really -- it is a great occasion. This has been in development for a long time I know, many, many years. And I've lived through a few iterations myself. And I know not everybody was always as positive as they are today. So this is really good news.

And we've achieved a lot of reductions in VOCs as well over the years. So it's all good.

All right. I think we should move on then to our next item, which is the trucks I believe, yes.

VICE CHAIR BERG: Yes, Madam Chair. It is the heavy-duty Vehicle Periodic Smoke Inspection Program.

CHAIR NICHOLS: Correct.

VICE CHAIR BERG: And because I have a fleet of
vehicles that are regulated --

CHAIR NICHOLS: Ah, yes.

VICE CHAIR BERG: -- under this regulation, I will
be recusing myself and coming back after we're done.

CHAIR NICHOLS: Thank you for letting us know.

Is there anybody else who needs to do the same?

Okay. We all wish we had a fleet of trucks --

(Laughter.)

CHAIR NICHOLS: -- but we don't. Okay.

In that case, we'll just wait for everybody to
get settled here for a minute.

Kim, your name plate is over here.

All right. The next item on our agenda is Item
18-4-3, the proposed amendments to the heavy-duty vehicle
and Periodic Smoke Inspection Programs. California has
been a leader for a long time in reducing diesel
particulate emissions from all sources. Diesel
particulate matter is known to cause cancer. And in 1998,
the Board identified it as a toxic air contaminant. In
2000, the Board approved the Diesel Risk Reduction Plan,
establishing a strategy and a path forward to
significantly reduce statewide diesel particulate matter
exposure.

And accordingly, over the past two decades,
particulate emissions from the heavy-duty vehicle sector. For example, we along with U.S. EPA, adopted tough PM emission standards for new trucks that took effect in 2007. These standards, together with CARB's in-use requirements, such as the Truck and Bus Rule, have lead to the required use of diesel particulate filters on essentially all heavy-duty diesel trucks operating in California. That's a lot of filters.

Today, staff is proposing amendments to the smoke inspection requirements for heavy-duty vehicles to help ensure that these diesel particulate filters are well maintained and are operating effectively.

Mr. Corey, would you please introduce this item.

EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

CARB's current smoke inspection programs were established back in the 1990s, before wide-spread use of diesel particulate filters. The current requirements are outdated and ineffective. Today, staff proposes updates to CARB's two smoke inspection programs to modernize the in-use emission requirements. Staff proposals include a significant reduction to the in-use opacity limits for vehicles equipped with modern after-treatment systems and establishes smoke tester training and reporting requirements.

These amendments are designed to ensure vehicles
continue to operate at low PM emission levels throughout their functional lives. I'll now ask Jason Hill-Falkenthal of the Mobile Source Control Division to give the staff presentation.

(Thereupon an overhead presentation was presented as follows.)

DR. HILL-FALKENTHAL: Thank you, Mr. Corey. Good afternoon, Chair Nichols and members of the Board.

Today's presentation will discuss staff's proposed amendments to the Heavy-Duty Vehicle Inspection Program, the HDVIP, and Period Smoke Inspection Program, the PSIP.

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DR. HILL-FALKENTHAL: I first want to go over a quick outline of today's presentation. I will start by providing some background information on California's particulate matter pollution challenges. Then I will discuss California's current smoke inspection programs, the HDVIP and PSIP, and why staff is proposing changes today.

Next, I will describe the proposed amendments, and then conclude with staff's recommendation to the Board.

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DR. HILL-FALKENTHAL: California faces some of the most extreme air pollution in the nation. As can be seen from the figure here, four areas in California are designated as nonattainment areas for the annual PM2.5 standard. Earlier today, you heard a discussion of the nonattainment issues in Imperial County and the plans to reduce particulate matter emissions in and around the area.

The largest PM nonattainment areas in California include the South Coast and San Joaquin Valley air basins, both of which record some of the highest PM2.5 levels in the nation. Heavy-duty vehicles play a substantial role in the high PM2.5 levels seen in these air basins, as they account for about a quarter of the total diesel PM emissions.

Diesel particulate matter presents a significant risk to human health as it is a toxic air contaminant known to cause cancer and other adverse health effects. Not only does the release of diesel particulate matter contribute adversely to human health, but it also leads to climate impacts, because it contains black carbon.

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DR. HILL-FALKENTHAL: Black carbon makes up about 15 percent of diesel PM emitted from heavy-duty vehicles, and can affect local climate and agricultural productivity.
due to its influence on cloud formation and rainfall.

As an absorber of visible solar radiation, black carbon worsens global warming. It is thousands of times more potent than CO2 at warming the atmosphere. Reducing diesel PM emissions from the heavy-duty vehicle sector will help reduce the health risks to Californians while at the same time helping combat climate change.

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DR. HILL-FALKENTHAL: Significant steps have been taken in the last few decades to reduce PM emissions from the heavy-duty vehicle sector. Starting with the 2007 model year, the U.S. EPA and CARB significantly tightened new engine PM certification standards down to 0.01 grams per brake horsepower hour.

This resulted in all new on-road heavy-duty engines coming equipped with diesel particulate filters. Additionally, CARB has established fleet rules such as the Truck and Bus Rule that accelerate turnover to newer, cleaner engines, and require older vehicles to be retrofitted with DPFs. These efforts have resulted in nearly every heavy-duty diesel vehicle operating in California being equipped a DPF.

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DR. HILL-FALKENTHAL: DPFs are highly effective in removing toxic PM emissions from diesel vehicles. In
fact, DPFs reduce tailpipe PM emissions by over 98 percent compared to engine-out emissions. However, without proper care and maintenance, these systems can be severely damaged rendering them ineffective.

For example, an upstream engine issue, such as a leaky injector, can lead to an increase in PM emissions upstream of a DPF. Initially, the DPF will catch these particulates and limit their release into the atmosphere. However, leaving the issue unresolved will lead -- will increase backpressure, which can lead to cracking of the DPF core, resulting in a large increase in PM emissions.

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DR. HILL-FALKENTHAL: The relatively small number of high emitting vehicles with these damaged emission control system account for the vast majority of PM emissions from the heavy-duty vehicle sector. In fact, as this chart shows for filter equipped vehicles, about 10 percent of vehicles account for over 70 percent of the PM emissions. The timely repair of these vehicles is vital to reducing PM emissions from the heavy-duty sector and ensuring heavy-duty vehicles continue to operate at low emission levels throughout their lifetime.

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DR. HILL-FALKENTHAL: Two programs responsible for monitoring in-use PM emissions in heavy-duty vehicles
are the HDVIP and the PSIP. These programs establish opacity limits that vehicles must meet to legally operate in California. The HDVIP permits CARB staff in consultation with CHP to conduct road-side vehicle inspections to check for excessive opacity emissions and tampering.

The PSIP, a companion self-inspection program, requires California heavy-duty diesel fleets of two or more to conduct annual smoke opacity inspections on their vehicles. Vehicles with emissions above the opacity limit thresholds are required to get repairs to meet the standards.

The current opacity limits under the HDVIP and PSIP are 40 percent for 1991 and newer model year engines, and 55 percent for pre-1991 model year engines.

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DR. HILL-FALKENTHAL: The current opacity limits were established in the 1990s, and are too high to detect today’s malfunctioning emissions control systems. In fact, less than one percent of vehicles currently operating in California have opacity levels above the current limits. Vehicles operating with properly functioning DPFs emit tailpipe emission -- opacity emissions at or near zero percent. Even vehicles operating with severely damaged DPFs have opacity levels
well below the current 40 percent limit

Staff's proposed amendments include stricter opacity limits that would allow the HDVIP and PSIP to identify and repair more vehicles with broken emissions control systems.

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DR. HILL-FALKENTHAL: Staff is proposing five amendments to the HDVIP and PSIP to improve the effectiveness of the regulations.

First, staff is proposing to lower the opacity limits to levels more representative of today's emissions control technology. Second, staff is proposing smoke tester training requirements for individuals who perform opacity tests in the PSIP.

Currently, there are no training requirements for PSIP smoke testers. Third, staff is proposing reporting requirements for the PSIP annual smoke opacity inspections.

Fourth, staff is proposing to allow fleets the option of submitting on-board diagnostics data, instead of doing the annual PSIP smoke opacity test.

And finally, staff is proposing to require an opacity test upon sale of a vehicle, similar to the testing requirement in the Light-Duty Smog Check Program upon change of vehicle ownership.
I'll discuss these proposed amendments in more detail in the following slides.

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DR. HILL-FALKENTHAL: The proposed opacity limits you see here would be applicable to both the HDVIP and PSIP. Staff is proposing a five percent opacity limit for DPF-equipped vehicles, which applies to the vast majority of vehicles operating in California. Five percent would apply to any vehicle equipped with a 2007 model year and newer engine or any vehicle retrofitted with a filter.

Staff is proposing a 20 to 40 percent opacity limit for non-DPF equipped vehicles. Non-DPF equipped vehicles can still be compliant under the Truck and Bus Rule through the years -- use of certain provisions, for example, the low-use exemption.

The opacity limits vary for these vehicles depending on the model year of the engine and the emissions technology used.

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DR. HILL-FALKENTHAL: Staff is also proposing PSIP smoke tester training requirements. Commercial testers hired by a fleet to perform the annual testing would be required to successfully complete a CARB-approved training course. The California Council on Diesel Education and Technology offers these courses through
community colleges throughout the State. Some fleets perform their own opacity testing rather than hiring a commercial tester.

For direct fleet owners and employees that perform their own opacity testing, staff is proposing to offer the option of an on-line training course offered through the CARB website, instead of the training courses required for commercial smoke testers.

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DR. HILL-FALKENTHAL: Currently, fleets subject to the PSIP have to test their vehicles every year, keep records of this testing, and present these records if audited by CARB. Staff is proposing to add new reporting requirements to improve enforceability and help increase compliance. CARB's Enforcement Division estimates that currently only about half of the fleets that should be doing the testing comply, so it's important to get this compliance rate up.

Starting in 2023 under the proposed reporting requirements, fleets would need to electronically submit vehicle information, as well as a copy of the annual smoke opacity tests result for each vehicle.

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DR. HILL-FALKENTHAL: In addition, staff is proposing to give fleets the option of submitting OBD data
instead of performing the annual PSIP smoke test for vehicles with 2013 model year and newer engines. The OBD system monitors all engine and aftertreatment components that can affect emissions. The OBD system can be a vital tool to diagnose upstream engine issues early, and to prevent damage to the aftertreatment systems downstream.

Vehicles with an OBD scan showing a PM-related fault code would need to be repaired and then submit a new clean OBD scan.

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DR. HILL-FALKENTHAL: Lastly, staff is proposing to require a successful opacity test within 90 days prior of a vehicle sale. This provision would be similar to the light-duty smog check requirement when a change of ownership occurs, and would help ensure DPFs are in good condition when vehicles change hands.

We heard some concerns from fleet owners about this new testing requirement. And based on these concerns, we believe some exemptions are appropriate in specific situations. As 15-day changes, staff is proposing an exemption to this testing requirement for vehicles sold to brokers and dealerships, vehicles sold out of state, vehicles sold for salvage, and vehicles sold from a lessor to a lessee already in possession of the vehicle.
Adding these exemptions would further align the
proposed PSIP testing requirement upon sale with the
light-duty smog check requirements, and make the
requirements more convenient for fleets without foregoing
emission reductions.

While we are still discussing this topic, I also
want to let you know about an additional 15-day change.
As shown in the last bullet, staff is proposing to exempt
military tactical vehicles from the HDVIP and PSIP
regulations, similar to the exemption for military
vehicles that already exist in CARB's Truck and Bus Rule
and the off-road heavy-duty vehicle regulation.

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DR. HILL-FALKENTHAL: Based on roadside testing
data, staff estimates that about nine percent of the
heavy-duty diesel vehicles operating in California are
above the proposed opacity limits. The cost to fix --
repair -- the cost of repairs to fix vehicles that fail
the proposed opacity limits typically range from about
$3,200 to $7,400 depending on the severity of the problem.

In total, the proposed amendments are projected
to impose regulatory costs of about $220 million between
2019 and 2025 with repair costs accounting for about 90
percent of the total projected costs.

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DR. HILL-FALKENTHAL: As a result of the costs discussed on the previous slide, the proposed amendments are expected to deliver PM emission benefits by requiring maintenance and repair of malfunctioning emissions control systems. The greatest emissions reductions are expected to occur within the first three years of implementation.

Between 2019 and 2025, statewide diesel PM emissions would be reduced by about 1170 tons, with the largest reductions expected in the South Coast and San Joaquin Valley air basins. Disadvantaged communities with lots of trucking activity, especially those near major highway corridors, large ports, or railyards would see significant benefits. The proposed amendments are expected to result in 134 premature deaths avoided, 18 hospitalizations avoided, and 56 ER visits avoided throughout the State.

The cost effectiveness of the proposed amendments is projected to be about $93 per pound of PM, well within the cost effectiveness range of previously adopted PM measures.

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DR. HILL-FALKENTHAL: Staff is asking the Board to approve for adoption with proposed regulatory -- with proposed regulatory amendments the HDVIP and PSIP as presented today with 15 day changes.
The proposed amendments would help reduce PM emissions from heavy-duty vehicles and improve air quality, especially for people living in communities most impacted by trucking.

Thank you.

CHAIR NICHOLS: Thank you for the presentation. It's very comprehensive. We have 10 witnesses who've signed up, and they clearly have different views. So this one won't be quite as simple as the last one, but I'm hoping that we can complete the testimony and, if possible, resolve the issue before we break for lunch, so everybody will be able to go off and have lunch, and then we'll come back for the final big item of the day, which is the discussion of the Volkswagen environmental mitigation trust, and the State's proposal for how we should spend that money.

So I think we can move right into it, but I do have one question because I know this is going to come up in the course of the discussion, at least I'd be shocked if it didn't, and that is that we know that there's legislation moving through the California legislature that would require periodic inspection, and annual inspection and maintenance for the same vehicles I believe that are covered by this rule.

And I guess I'd like to know what the thought is
on the part of the staff about how these programs would work together?

Mr. Kitowski, it looks like this one comes to you.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: Yes. Several people looked in my direction. I think that was my clue.

(Laughter.)

CHAIR NICHOLS: Okay.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: I'm picking up on those things. So there is a legislative effort right now, and there's been multiple discussions of that. They do address sort of the same category of how do we tackle in-use emissions. At this point, it's -- we're certainly aware of that legislation, but it's a little early for us to exactly figure out how it would meld in with these discussions. We would be analyzing that legislation when it comes through the legislature, and if changes are necessary, as part of this, we would come back as part of that proposal.

CHAIR NICHOLS: Well, I guess I'm asking you up front to say that if the legislation does pass, and is signed by the Governor, that you would be in a position to do something with this regulation, so that we wouldn't have duplicative or even possibly conflicting programs
going on.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
Yes, absolutely. We would analyze this
regulation in the context of the language that gets passed
by the legislature, and we would be fully prepared to make
whatever changes are necessary.

CHAIR NICHOLS: Okay. Thank you. All right.

Let's hear from Mr. Lewis. It's been a while.

MR. LEWIS: Thank you, Madam Chairman and members
of the Board. My name is Mike Lewis and I'm the senior
vice president of the Construction Industry Air Quality
Coalition. Our member associations represent thousands of
contractors throughout the State who operate and own tens
of thousands of on-road trucks in California.

We're disappointed in the form that this
regulation has taken. We've been working with your staff
for months to -- without making much progress in terms of
having them understand the impacts that this proposal will
have on compliant fleets of getting them to change the
provisions that we think are going to cause this proposal
to sort of fail its objective.

We understand the desire to hunt down the very
small percentage of fleets that may have a non-compliant
truck, but this rule is particularly onerous because
burdens California fleets, not those traversing the
states.

The cost by your own estimates is three to give million annually, but those costs do not reflect the initial reporting costs, reporting requirements, which we would estimate to be around $250 per vehicle for the 95 percent of the trucks that don't now currently report in your system.

And this proposal is going to create a paperwork snow storm as all of these scans of all of these reports that have to be uploaded and sent to your glove compartment instead of the glove company on the truck.

This proposal puts fleet owners in a catch-22 between CARB and the DMV, because CARB tracks trucks by engine model year, and the DMV uses year and vehicle identification number.

It's sort of Spanish and Chinese. So when CARB lists an owner of a truck, you might list it by the fleet owner, or what you believe is a fleet owner, but the actual owner listed in the DMV data could be a leasing company or holding company, and it's not going to match CARB's fleet name.

So you've got 350,000 trucks currently listed in the trucker's database, and 5.8 million trucks in the DMV database. We think on its face, you're going to put every compliant fleet in the state out of compliance simply
because the data doesn't match your data.

We think the opacity limits that you're setting on the newer trucks are going to be very difficult for those trucks to meet, because in order to conduct the tests, you have to Idle the truck and use the truck well beyond the five minute idling limit that is currently set in your other regulations.

This disadvantages California rental fleets, because it only applies to them and not to the other rental fleets that are using out-of-state trucks. We're not certain that this is going to make -- making all of these compliant fleets report in this fashion, given the various limited number of trucks that are not in compliance currently, is going -- is a worthwhile effort in order to try to find those few that are not in compliance.

And finally, this provision to do the test within 90 days of sale is not something that was workshopped in the process, and it was kind of a last minute add. And we don't -- there's nothing between your rule and the DMV that's going to require DMV to not register a truck just because a test hasn't been performed. So I don't know how you're going to -- how you're going to make that happen.

So those are our concerns. Thank you for your time.
CHAIR NICHOLS: Thank you. Thanks. Mr

Mr. Brezny.

DR. BREZNY: Good morning, Chair Nichols and

members of the Board. I'm Rasto Brezny. I'm the

executive director for the Manufacturers of Emission

Controls Association.

MECA members manufacture all the emission

controls that go on all mobile sources, including in-use

and new diesel trucks and equipment. Some of our members

manufacture after-market DPFs, which offer a pathway for

truck owners to maintain their vehicles in a cost

effective manner. Clean diesel technology that includes

diesel particulate filters has been required by the Diesel

Risk Reduction Plan since 2003, and has -- and DPFs have

been installed on all new trucks since 2007.

So that's why we commend ARB for revising the

opacity limits, for inspecting DPFs to be consistent with

the technologies that are on trucks today, and ensuring

that they work properly over their full useful life. MECA

members that supplied DPF retrofit devices have been

required to use opacity testing as a way to ensure

compliance with these devices in the field. And our

experience is that a five percent opacity limit is

certainly doable, and achievable, and repeatable using the

commercially available opacity meters that are available
This supports the conclusions of the detailed analysis that ARB funded at NREL which correlated the opacity PM emissions and the level of DPF deterioration. Regular inspection and maintenance of engines and emission controls is not only important for air quality, but it also ensures the health of the engines, and aftertreatment, and prevents more costly repairs down the road, and so therefore reducing the total cost of ownership.

So when a filter -- the other thing to consider is that when a filter is installed in the exhaust system, you can no longer rely on smoke -- high smoke emissions to indicate a engine problem upstream, such as an injector, or a leaky turbo, or coolant leaks. And so it's important to also do periodic preventive inspections at the time of filter cleaning when the filter is removed from the exhaust in order to look at the opacity coming out of the engine, and ensure that it's meeting the manufacturer's specifications.

So in conclusion, thank you -- I want to thank your staff for their hard work and analysis and bring you this proposal. And MECA looks forward to working with ARB as you look at more comprehensive heavy-duty inspection and maintenance programs based on OBD.
And thank for your time.

CHAIR NICHOLS: Thank you.

MR. TORRES: Good morning, Board. Appreciate your letting me speak this morning. I'm Chris Torres, owner F&L Farms Trucking, Incorporated. The last time I was here was 10 years ago prior to the Truck and Bus Rule. And I testified several times in regard to that.

We had 20 trucks at the time. Currently, we have -- we're down to five. That was an onerous regulation, which was extremely challenging to work with, which continues to do so. Why I'm here today is basically why are we regulating more -- the trucks more?

There's -- there's -- it's in place now. What you currently have is in place and it works. You're; estimating nine percent of the vehicles don't comply. That's an estimate. That's not known. We did a lot of estimates 10 years ago on the Truck and Bus Rule that were completely out of whack.

Yes estimated that the rates would go up, so we would all get paid more for what we do. It cost me a million dollars. I'm down to five trucks. I haven't been able to recover that million dollars yet that it cost me. And we are in compliance currently, but there's a lot of other folks that aren't.

And you know, CARB doesn't have the money to do
the enforcement. It's -- I've talked to several people I
know in here and they've said that. And it's just
terrible.

There's also some interesting language in here
on, I forget what page, five it says, "Operation of
heavy-duty vehicles would damage emission control system
may lead to the release of excessive smoke and excess
diesel particulate emissions. I have these trucks. If
they don't -- if the filters are plugged up or goofed up,
the trucks won't run.

It's -- there's not -- there's no way they'll put
smoke out. They just won't run. They get shut down. Our
trucks are shut down quite often with the systems, and we
maintain them very well.

The cost is -- who knows what the cost would be
on this to us small business. It's difficult for us to do
it right on. I'm a one person outfit. I do all the
dispatch paperwork. My wife helps, and we have six
employees. We're down from 20, and it's been extremely
challenging to get through all of this.

I have my own smoke opacity meter. I need to get
tested on that -- I need to have a license to run that. I
do what it says. It registers what it says. It's
registered -- it's a program. I can't fool with it.

Lower the limits. What's the cost of lower
limits here to industry? I mean, it's all estimates, just as it was 10 years ago with the Truck and Bus Rule.

We're currently reporting we have all the paperwork in our office. We -- I don't see any reason why we should have to send it in to give it to your paperwork stacks. If you guys want to see it, you call us, we do it. We take care of it.

The trucks -- 90 percent of the trucks -- it states in here 90 percent of the trucks comply. Those trucks won't run if they're not -- if the emission systems don't work, period end of story.

The change of ownership is just -- it's more regulation. I don't understand why we need to continually regulate industry in this state. It puts us out -- it puts people out of business. It costs more. Thank you for your time.

CHAIR NICHOLS: Thank you very much.

I'll extend your time for a minute, excuse me, if you want to come back. You know, a 10 percent noncompliance rate, if true, it is a very high compliance rate for most of our regulations. So it's worth trying to find out if it's true. But I guess the thing that's bothered me the most in this particular area, and like you, I have painful memories of going through the process of getting the Truck and Bus Rule adopted and implemented.
But the thing that I recall from that experience was that there were lots of complaints on the part of truck owners and drivers about the filters. And, you know, complaints about their manufacturing or about the -- whether they were working and all of that. And equally, on the other side, there were comments that they would work if they were being maintained in accordance with the restrictions or the recommendations of the people who build these things and install them.

So I guess I would -- for those that -- and I'll just -- I'm picking on you because you're here, but also because, you know, you focused on this point, I'd like to hear what alternative they would present for dealing with that situation, because it is a statewide issue.

MR. TORRES: The alternatives -- excuse me.

Thank you for allowing me more time.

CHAIR NICHOLS: Sure.

MR. TORRES: And the alternatives would have been an easier transition into this whole program. The squeezed in time period made it extremely difficult for the manufacturers, for end users, for everyone else to make all this work. I mean, we had -- you know, we had two years of certain filtered trucks. Then they started using urea. I mean it was -- we got jammed on this thing, and the requirements were jammed. And there were a lot of
people that had trouble with them.

    I mean, when the trucks were new, they're good
for three hundred thousand or four hundred thousand miles.
    CHAIR NICHOLS: Right. This was the retrofits.
    MR. TORRES: But once they hit that level, it's
extremely challenging to keep them running, because stuff
wears out.

    CHAIR NICHOLS: Um-hmm.
    MR. TORRES: You know, as back in '72 -- and
unfortunately I'm dating myself a little bit. Back in
'72, when we had the smog systems on our cars. Those
systems that people put on to help the smog --
    CHAIR NICHOLS: Um-hmm.
    MR. TORRES: -- they never really worked right.
And these early systems in these trucks never really
worked right. And they're still -- they're out there. I
mean, we have a few of them in our fleet, because we're
farmers in our fleet that we only use seasonally. But the
stuff we use year-round, we've been forced to buy newer
stuff and pass, and put the older stuff in, because you
can't run them a million miles anymore, and get the cost
effectiveness out of them. They're three to four hundred
thousand miles.

    So, I mean, it's killed us in our -- in our
capital for running our businesses. It's extremely
challenging. And all we're going here is just more
regulation on business. And we don't need that here. I
understand. I'm a farmer. I'm all for clean air. I'm an
environmentalist, because I farm and I take care of the
birds and do whatever I can do. So I'm on both sides of
this.

But more regulation, more onerous regulation does
not help us at all. It just doesn't
CHAIR NICHOLS: Thank you.
MR. TORRES: And if there's a bill going through,
let the legislature take care of it.

Thank you for your time.
CHAIR NICHOLS: Thank you.
Will Barrett
MR. BARRETT: Good morning. I'm Will Barrett
with the American Lung Association. And we support this
proposal as an appropriate and important step in
protecting public health against harmful diesel exhaust.
Too many Californians today are at risk due to local
diesel emission impacts that threaten their health and
quality of life in the form of asthma attacks, cardiac --
cardiovascular health impacts, lung and other cancers, and
even premature deaths. We appreciate that the staff has
taken a careful scientific review of the standards, and
has proposed tightening of the standards to further
protect public health.

The more stringent standard and testing will ensure greater protections against excessive diesel emissions that pose a real threat to our most disadvantaged communities. That happens by improving the in-use performance and enforcement over the life of these vehicles. As you consider this proposal we urge you to adopt the updated program today as a bridge to the passage of a further program to require annual certification as is currently being discussed in the legislature.

By ensuring greater emission reductions through the proposal today, and looking to the future structure of a heavy-duty Smog Check Program, we believe the public health will benefit and our black carbon climate change impacts will also go down throughout the life of these vehicles as they're on the road.

Thank you very much for work on this important program.

CHAIR NICHOLS: Thank you.

MR. RUSHING: Good morning, Board members, Madam Chair. My name is Rocky Rushing representing Coalition for Clean Air.

Coalition for Clean Air supports the proposed amendments to the Heavy-Duty Vehicle Inspection Program and the Periodic Smoke Inspection Program as they are long
overdue. As the staff report notes, large swaths of our
state fail to meet federal PM2.5 standards. And this is
especially true in the San Joaquin Valley and South Coast
air basins, and as we heard earlier today, the Imperial
County.

Potential health and economic benefits resulting
from the suggestive program improvements before you today
are many. People living near routes heavily traveled by
big trucks or ports or freight hubs, where diesel engines
foul the air, will be able to breathe a little bit easier.
Lives will be by saved, less hospitalizations will take
place, and there will be fewer sick days.

Research has linked air pollution to premature
births. A study released last month by the California
Environmental Health Tracking Program found that
California could avoid one in 10 premature births annually
by elimination preventable PM pollution.

That means 3,000 premature births prevented each
year with an estimated savings of 170 million in medical
costs, and another 980 million in avoided lost lifetime
earnings.

More stringent federal and State emission
standards, along with cleaner burning fuels, and diesel
particulate filters have made current opacity limits
obsolete. Yet HDVIP and PSIP have not kept pace, and
without updating will also become obsolete.

Even with the adoption of proposed amendments, the potential benefits will never be fully realized without improved enforcement, which currently could only be described as spotty at best.

CCA realizes that a comprehensive smog-like -- smog check-like program for heavy-duty diesel, as envisioned in SB 2010, is necessary to attain clean air standards for those communities suffering from PM pollution.

Still with the proposed improvements and beefed up enforcement, HDVIP and PSIP can be important tools in getting smog-belching trucks fixed or retired.

Thank you for your consideration.

CHAIR NICHOLS: Thank you.

MR. MERKLEY: Board. Good morning, Madam Chair and members of the Board. Danny Merkley with the California Farm Bureau Federation, and today on behalf of California Cattlemen's Association.

This proposal does not work for agriculture. One, because during the growing season, we cannot take our equipment out of service. Harvest season alone is two to three months long. In my operation, we have tomato harvest going with our trucks running constant from -- through most of August, September, and through October.
And that doesn't count for planting and cultivation season when we're moving equipment back and forth constantly day and night.

Therefore, the on-road inspections and the 45-day compliance timeline is unworkable for us. Many of our members park their rigs for up to six months, sometimes even more during the year, when we're not in the thick of the growing season. And then lastly, I'd like to say that the annual reporting for data that will sit on a shelf is yet another cost that does nothing to improve our air quality. We believe it makes more sense to continue and be prudent to ask and/or audit individuals for the inspection results to ensure compliance.

Thank you.

CHAIR NICHOLS: Thank you.

MR. SHIMODA: Good morning. Chris Shimoda, California Trucking Association. CTA's opposition today is focused on just one thing, the new proposed reporting requirements for PSIP. We understand why the Board is lowering opacity standards, but are concerned that the reporting requirement will further burden already compliant fleets as you've -- as you've heard today from some of the testimony.

Staff estimates 10 percent of the trucks are operating with EPFs that are leaking or have been tampered
with, meaning the vast majority of truck operators are performing the necessary maintenance and repairs just to keep the trucks operating and on the road.

The reality is fleets operating gross-emitting trucks are likely not going to report to you, and are probably not compliant with the existing PSIP Program. The burden of reporting will fall solely on those already compliant with PSIP, meaning you're simply imposing costs on those already complying with your rules for likely no emission benefit.

And thank you, Chair Nichols, for raising the context that we're talking about this program change with discussions of a broader inspection and maintenance program in the works. This program, similar to the light-duty Smog Check, will likely require proof of compliance with that program to register trucks at DMV, meaning everything we're talking about here on the reporting for PSIP could be duplicative. You could have two programs essentially overlapping and doing the same thing. We don't believe that's an ideal outcome for CARB or the industry. And so I'm glad to hear that there is a focus on making sure those two programs work.

And so we'd ask the Board just to reconsider whether or not we really need to impose this additional reporting requirement on those likely already complying
with this rule, and continue to work on the broader program to try to identify and really get at that 10 percent of gross emitters. So thank you for your time.

CHAIR NICHOLS: Thank you. Okay.

MR. TUNNELL: Good morning, Chair Nichols, members of the Board. My name is Mike Tunnell. I'm with American Trucking Association, and I'm just here to support the comments of the State trucking association that Chris just gave.

Much like them, we're -- our opposition centers on the reporting requirements. We would like the Board to remove this requirement -- reporting requirements from the proposed amendments. And you have time with the I&M legislation being worked on. And the reporting goes into effect in 2023, so we feel that you can pull it out now and work on a better solution. And we would like to see you direct staff -- move staff in that direction.

We're -- our experience with reporting, we've done some under the Truck and Bus Regulation with mixed results. We feel that this new reporting will add approximately a half million records based on your staff estimate, several millions of dollars annual cost for this database. And we're just -- we're questioning whether it will truly result in more compliance, as your staff argues.
What we feel is it really will add additional compliance burden to the companies that are making the effort to comply, and not reciprocate if you're avoiding. So we would appreciate your support in moving this off the amendments.

Thank you.

CHAIR NICHOLS: Thank you.

MR. CRAM: Dear Madam Chair and other Board members. My name is Rob Cram. I work for Holt of California, a local Caterpillar dealer.

First off, I want to express thanks to the Board for giving us a chance to speak and express our concerns on staff's proposal. And before doing so, I want to thank staff for the continued good working relationship we have and being open to our concerns throughout the workshop process.

I was one of the signatories to the series of formal letters submitted by California Caterpillar dealers throughout the workshop and Board process. The concerns highlighted in those letters are primarily -- primarily to oppose the fleet reporting and 90-day sale requirement. These requirement will add unnecessary complexity and cost to this regulation, and would do little to bring fleets that have chosen to ignore the current regulation into compliance.
With regards to the reporting requirement, as highlighted by Mr. Lewis, when one takes into account the distinct differences between DMV and CARB data systems, it will not guarantee full reporting compliance, and indeed make it more difficult for those fleets trying to stay in compliance with the existing regulation.

In short, the proposed reporting requirement will not identify fleets that continue to ignore the current regulation but will impose a larger regulatory cost on fleets that try to stay current and compliant with the current regulation.

Additionally, it could open compliant fleets who are compliant with the current regulation up the reporting headaches and even undue enforcement actions because of data entry issues.

We have also proposed -- proposed a requirement to require and opacity test be done within 90 days of sale be removed or revised, because this too is unenforceable due to differences between CARB and DMV information, and there is no language in the State Vehicle Code to require that.

It will create a redundant testing requirement, and increase costs for rental fleets, like those operated by my company as we maintain a large fleet of newer trucks, and have a large amount of turnover based on
market demand.

With regards to the other revisions, our group did feel the proposal to require CCDET training and certificate — and certification for opacity testers would be acceptable as it would create a more consistent testing process throughout the industry.

In closing, the California Caterpillar dealers appreciate Board’s consideration to direct staff to remove or revise these requirements as they add unnecessary complexity and cost to this regulation, are overly burdensome to our already compliant fleets, and would do little to bring fleets that have chosen to ignore the existing regulation into compliance.

Thank you.

CHAIR NICHOLS: Thank you.

MR. EDGAR: Chair Nichols, members of the Board and staff. My name is Brad Edgar. I’ve spoken here a few times, but I have something -- some information I just wanted to share of -- we are neutral on the rule.

I'm president of Red Fox Resources located in Oakland, California. Our company specializes in the recycling of emission control components, such as diesel oxidation catalysts and diesel particulate filters from heavy-duty trucks and buses. Over the last few years, we've recycled more than 14,000 diesel particulate filters
I want to let the Board and staff know that these emission control components contain precious metals, such as platinum and palladium, which can be recovered through recycling. I call your attention to this, because we expect if the rule is passed, a number of DPF replacements will increase. Owners should understand that their emission control parts have significant recycle value, which can help offset the purchase of a new component.

Recycling is a good practice that returns money to the fleet owner and offers sustainability through resources recovery.

We ask that ARB make known to all stakeholders that DPFs should not be thrown away. We also ask you to direct staff to highlight responsible end-of-life practices in your workshop and other outreach to fleets. And we have had discussions with staff on this in the past, but I just wanted to call it to your attention today. Thank you.

CHAIR NICHOLS: Great. Thank you.

Well, these things certainly shouldn't be thrown away no matter what. There's going to be recoverable material. So I guess the point is that if we were to get a lot more being replaced, that would be good to highlight that fact.
Okay. That concludes the list of witnesses that I have, so I'm assuming that it's okay to close the record at this point, which I will do. So now this comes back to the Board for -- for action. And I think there will be some questions. I'm sure there will be. So why don't we just get the ball rolling here. I'll look in this direction and see if anybody wants to raise their hand.

Yes, Dr. Sherriffs, you are first.

BOARD MEMBER SHERRIFFS: Thank you. Staff, thanks for your great efforts here. Thanks to everyone who testified, helping clarify a number of the concerns. One question on slide 17. Thank you for highlighting the health benefits, because ultimately that is what this is about. That's why we're doing this. And I just want to clarity those premature deaths avoided. That's an annual number.

DR. HILL-FALKENTHAL: No, that's total from 2019 to 2025.

BOARD MEMBER SHERRIFFS: That's the total over the life of 2019 through '25?

DR. HILL-FALKENTHAL: Correct.

BOARD MEMBER SHERRIFFS: Okay. Great. Anyway. That's a real number, a significant number. It's a very important number, and thank you for highlighting
why this is important.

You know, I guess when I hear the testimony, I'm not hearing so much concerns about the -- in a sense, the regulatory cost, because this is just doing what we said we would do, meeting the expectation. And we have -- you know, the opacity limits have been a proxy for how -- what the emissions are like, and what we've learned over time. And it's not a very good proxy, so we have -- we are coming up with a better proxy that really actually does measure what the emissions are, and that we are achieving the goals that, in fact, we set for ourselves years ago.

And most of the objections that I hear really relate to the burden of reporting. And, well, in one sense that fixes itself as engines turnover, and the new engines have OBD, this becomes a relatively simple process. In the meantime, how do we get those benefits of the death avoided and not -- not postpone that?

But I guess my concern, the alternative to reporting would seem to be enforcement. It's one or the other to achieve what we said we were going to achieve. And, you know, I haven't really heard comments as to if that's what people really want. You know, I think we've made a commitment, a solution -- the legislative solution sounds like a very good one. You know, put trucks in a Smog Check Program. If you don't pass, you don't
register. You can't operate. It's a very simple, simple fix.

Whether that's going to happen or not, we don't know. We don't know what that's going to look like. And so I think it is important. It is incumbent upon us. And when we look at those health benefits, we need a backstop. We need to do something today. And, yes, if the legislature comes up with a fix, then I want to be clear that there is a commitment that we are very quickly going to not subject people to which rule do the follow, but that we harmonize the expectations.

CHAIR NICHOLS: Thank you.

Mr. Eisenhut.

BOARD MEMBER EISENHUT: Yeah. Thank you. Am I on?

I really want to support this, and I'm struggling frankly. The -- and I'm anxious to hear comments from my fellow Board members. And I just have a couple questions and observations, because every reduction in diesel is a benefit to the health of Californians. So I'm interested to hear perhaps from staff. I was struck by the comments from the construction industry about data incompatibility. And I need staff response to clarify their ability to handle those potential incompatibilities.

The Chair and Dr. Sherriffs referenced pending
legislation. I have a slightly different perspective than
my colleague on that pending legislation. I'm really
reluctant to engage in regulatory activity that can be
changed legislatively fairly soon, because it sends a
really confusing indus -- set of signals and compliance
measures to our partners in the trucking business. So I'm
anxious to hear discussion about that.

And on a very small -- small note with regard to
the exemptions, I would suggest potentially including
family transfers to the list of inspection exemptions, and
some sort of perhaps 90 days, had there been an annual
inspection within -- and I'm just throwing a number out --
90 days of the transfer that that annual inspection
would provide compliance.

And I -- like Dr. Sherriffs, I'm hearing frankly
a dichotomy in the testimony. On one hand from you who
have testified, I hear that we're complying. We want to
have everyone comply as we're complying. So I would ask
of you if not this, then what? That's the question. And
I don't expect us to have that sort of a dialogue right
now, but that's the question that's on my mind.

So I look forward to other comments from Board
members. Thank you.

CHAIR NICHOLS: Thank you.

Ms. Riordan.
BOARD MEMBER RIORDAN: Well, the information compatibility that Mr. Eisenhut brought up is certainly one of my concerns. And there's probably a simple answer, and I look forward to hearing staff comment on that.

CHAIR NICHOLS: Okay. Yeah, I have -- I guess, I'll just flag it right now as I go down the other side. I'm concerned about whether the electronic reporting that's envisioned truly replaces existing reporting, in which case, it's not really reporting -- well, it's record keeping -- it's a record keeping requirement versus a reporting requirement, I guess.

So the issue is in terms of workload and burden for the person who has to actually do these inspections, is there a way that it could be simplified knowing that in fact we're not going to have somebody sitting at a terminal monitoring every report that comes in. That isn't really the way it works.

But it is definitely a benefit to CARB, I assume, if we can press a few buttons and find out what -- what's being claimed. And I presume it also is a little bit more of an inducement for the people who are having to do these inspections to make sure that they're in compliance. It's hard to imagine that somebody is going to report that they're out of compliance under a system like this.

So I think it's maybe a way of sort of pushing to
make people take it more seriously, if the feeling is that
they -- that they haven't been taken -- taking it as
seriously as we need them to.

Anyway, just a thought.

Let's move in this direction. Other thoughts, comments at this end of the podium here.

None.

Okay. Seeing none.

You want to respond on these issues about the
process?

MSCD MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH

CHIEF HEROY-ROGALSKI: Yes. Thank you.

DEPUTY EXECUTIVE OFFICER CLIFF: Let me kick off here first, sorry, and then --

CHAIR NICHOLS: Let's just -- could somebody help this person get a microphone.

Hi, go ahead. I don't know --

DEPUTY EXECUTIVE OFFICER CLIFF: Okay. Sorry. I thought I would go ahead and kick this off. I heard several things.

CHAIR NICHOLS: Oh, okay. Sorry, I don't see you.

You're blocked by my monitor here.

DEPUTY EXECUTIVE OFFICER CLIFF: I could stand up, if that's helps.
CHAIR NICHOLS: No, I don't think so. I'll move.

DEPUTY EXECUTIVE OFFICER CLIFF: So I heard several things and I wanted to just go through this. Dr. Sherriffs wanted to hear a commitment to amend the reporting requirements, if there is a more comprehensive inspection and maintenance program that's coming on line.

Mr. Eisenhut.

BOARD MEMBER SHERRIFFS: Speedy.

DEPUTY EXECUTIVE OFFICER CLIFF: Very speedy, yes.

Mr. Eisenhut had concerns from what he heard from construction because of incompatibilities, also noted by Mrs. Riordan, and had some specific exemptions. And I will let -- I'll staff address those.

And then Chair Nichols had questions as to whether this is specifically record keeping or reporting. And I thought it might be helpful just to give some kind of quick overview. We heard some concerns as well from stakeholders about the opacity limits being lowered. And I was struck when I first came into this job, that when you see a smoking truck on the road, and you think, oh, I'm going to call that number the 1-800-END-SMOG on that truck, that, of course, it must be out of compliance with some rule.

But, in fact, what I learned is that the opacity
limits were so high, that it could be smoking in a way
that it wasn't out of compliance with any rule. And, you
know, that was very frustrating. Of course, I learned,
no, we're going to lower these opacity limits. And so
that's, you know, a way to take care of it.

Well, the challenge is it's very difficult to get
at those trucks. Me calling and you calling on a truck
that's smoking, that's not a super effective way to get at
those hundreds of thousands of trucks that are out on the
road. And most of the violations that we found were
actually record keeping violations, not exceeding the
limits of opacity.

So to get at the question that the Chair asked,
they currently have record keeping requirements. Most of
the violations that we find are for record keeping
requirements. So in lowering the opacity limit --

CHAIR NICHOLS: Oh, I see. It's the record
keeping that's the violation.

DEPUTY EXECUTIVE OFFICER CLIFF: Right, exactly.

CHAIR NICHOLS: Got it.

DEPUTY EXECUTIVE OFFICER CLIFF: And so -- and
staff should certainly correct me if I've got this wrong.
But in lowering the opacity limits, then when we do
roadside inspections, if they exceed, then we'll have more
of a hook. Right now, most of them aren't exceeding
those opacity limits when we do those roadside
inspections.

So I don't want to pretend that this is a way
that we're going to get at all the smoking trucks, or that
the reporting requirements are going to necessarily get us
much better enforcement or much better air quality. But
it is an additional hook over what we have today.

Furthermore, those record keeping requirements
are actually scheduled to kick in in 2023. So this isn't
an immediate requirement. It was set up specifically so
that if there is this inspection and maintenance program
that comes on-line, that we would have plenty of time to
amend the regulations before those requirements would kick
in.

It was also noted that by 2023, many of the
trucks will actually have OBD, and could, even with this
existing program, submit OBD data in lieu of doing these
inspections, and submitting other information. Still,
there will be about a quarter of the trucks on the road
that won't be OBD equipped in that -- in 2023 is our
estimate.

So, you know, there is -- there is a significant
impact in that there will be, you know, requirements for
reporting at that time. And obviously, our goal would be
to make that as simple as possible.
I'd like staff to address anything I missed in that, and maybe specifically on the exemptions that were discussed.

MSCD MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH

CHIEF HEROY-ROGALSKI: Okay. Now, I'll go.

(Laughter.)

MSCD MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH

CHIEF HEROY-ROGALSKI: Thank you, Steve. That was awesome. Okay.

(Laughter.)

MSCD MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH

CHIEF HEROY-ROGALSKI: So, first of all, we think that the -- we think that the idea for an additional exemption exempting family transfers from this 90 day change-of-ownership requirement is an excellent one, and we'd be happy to add that to the 15-day changes that we're preparing. So that's fantastic.

Let me discuss a little bit the issue of data compatibility. It's totally true that the system that DMV has been operating for years in order to allow people to register their vehicles wasn't designed specifically for air quality enforcement purposes. And so there's -- so the fields that are set up in there weren't set up with that in mind. However, that data -- that whole system is extremely useful for allowing us to enforce our rules.
And as the Board knows, and probably many folks in the audience know, that's a big part of what's -- what was behind the requirement in SB 1 to link truck and bus compliance to vehicle registration.

It just makes sense. If the State is registering vehicles that the State should make sure that the State's requirements for those vehicles to be clean are complied with.

So fortunately for us, SB 1 preceded our efforts to update this reg. And the work is already ongoing to match up what ARB needs for air quality enforcement, and how DMV does their vehicle registration. So there's been a huge amount of effort to set up ARB systems, and to work closely with DMV to make sure, as we -- as we get that all set up to link truck and bus compliance with DMV registration, so -- so it's true that there are differences there, but we're already aware of those and working towards understanding them and setting up systems that work.

But even in -- with the current situation, where, yes, there's sometimes odd data in DMV, like maybe somebody -- one -- one fleet might use one name when they report to DMV, but give us a different name if they report to us for opacity. But even with little anomalies like that, this would still be a hugely powerful enforcement
tool. Because right now, if you think about it, if you put yourself in -- imagine if you're an ARB inspector, right, and you're trying to check, there's thousands of fleets out there that are supposed to be annually testing their trucks for opacity, and keeping these little slips in a file somewhere. Can you imagine like how daunting that task is to try to go out and physically check everybody's files? It's almost -- like, it's impossible really. I mean, I guess it's possible, but it would take a lot of people a lot of time to do that.

And so that's why we've ended up in this situation where right now, compliance rates a relatively low for these -- for PSIP. And the fleets that come to these hearings are the ones that are trying really hard to do the right thing, right? If somebody is taking time out of their day to come talk to the Board, these are the compliant fleets.

But there's a lot of fleets that they're competing with that aren't complying with these requirements. And currently, it's really hard for us to ensure that level of playing field and enforce this regulation adequately.

And so it would be an extremely powerful tool if all the fleets that were supposed to be doing this annual testing would send in their information once, and then
send us copies of their opacity data, because it would
give us a really easy way to quickly screen for fleets
that are doing what they're supposed to versus those that
it looks like they're not doing what they're supposed to.

So even though the data might not be perfect,
there may be issues where we have to, you know, look into,
well, why is this name different than this name or why
didn't see this vehicle here, but we saw it there, it
would be hugely powerful if we could do that.

So real data compatibility issues, but
nonetheless a really important tool for enforcement. So
we think it's okay.

And, yeah, so I think that's what I wanted to
say. Thank you.

CHAIR NICHOLS: Thank you.

Well, I'm not sure whether it's because I'm a
lawyer or because I'm just interested in this problem, but
it seems to me that we do have some difficulties with
enforcing our rules. And there's no question that we hear
anecdotally lots of stories about people who are not in
compliance. And we don't have a statistically valid way
of, you know, saying what that number is. Let's be clear
about that. We have some evidence, and we have reasons to
believe things, but, you know, it's not like we can
present, you know, a fully fleshed out list of how many
trucks are in compliance or not.

But the suspicion certainly falls on those who are required to comply, but are not big enough to necessarily maintain a fleet that is really, you know, in good condition, and be doing the kind of maintenance and self checking that we would like to see people do.

So the question is what's the best way of getting at that issue. And I guess there's a couple of things. I mean, first of all, I really would like to see us formally make it clear that it's not just that, of course, we're -- you know, going to do the right thing and take another look if we do get an inspection bill. I'd like to see it linked officially to the inspection of a bill.

In other words, I'd like to see the regulation itself or the resolution language adopting it contain language that explicitly says how we will deal with a transition. That may even be helpful in terms of, you know, getting something good to pass. So I'm not -- I recognize that might be a side effect. And that would be -- that would be good too.

But mostly I'm just interested in having a smoother path towards implementation than we've had in the past with some of these kinds of rules. And I guess the other thing is, I'd like to see spelled out -- and I know it's going to take some time and more work, but I'd like
to see what this reporting actually looks like and how burdensome it really is for people to comply with it. You know there are ways you can do these things that seem like they'd be reasonably streamlined. And there are others that seem to me like they could be, in fact, time-consuming, and difficult for people to live with; and how we're planning on auditing these things as they come in, so we really are able to check and see what's going on.

And I apologize to staff if this is all something that you would have told me before the meeting, and I just wasn't able to be there. But the fact is, I -- you know, I think the Board and the public ought to know these things too.

So I'm thinking that I don't want to hold up the process. I know that, you know, if we vote on this today, there still is a period of time when this is reopened and so forth. Maybe I could get some -- a better clarification of how that process will work. And if my ideas are accepted by my fellow Board members, how we could incorporate them into this process?

Silence.

(Laughter.)

CHAIR NICHOLS: Mrs. Mitchell, another lawyer here, I'm sure will --
BOARD MEMBER MITCHELL: Theis deafening silence here.

I had that question too. I mean, what we heard was not many complaints about lowering the opacity limit.

CHAIR NICHOLS: Um-hmm, right.

BOARD MEMBER MITCHELL: But mostly about the burden of the record keeping. And I've heard a couple of things. One is that the record keeping doesn't come into being until 2023. Did I hear that correctly?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: Correct.

CHAIR NICHOLS: Um-hmm.

BOARD MEMBER MITCHELL: By 2023 --

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: I'm sorry. I'm sorry, Ms. Mitchell, the record keeping is a current requirement.

BOARD MEMBER MITCHELL: Current requirement.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: And that is in fact. The reporting doesn't come into effect until 2023.

BOARD MEMBER MITCHELL: Okay. That's where I was confused. The reporting doesn't come in until 2023.

And as I understand now, they're required to keep the records. And if CARB wants to audit that, the records
will be there for CARB to look at, is that how it is working right now?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
(Nods head.)

BOARD MEMBER MITCHELL: Okay. Because the record keeping is a record of the annual opacity test that each fleet owner does, is that correct?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: Correct.

BOARD MEMBER MITCHELL: Okay. All right. So if you are a fleet owner with two trucks, you're doing two opacity tests. Do I have that right? One on each truck?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: Right.

BOARD MEMBER MITCHELL: Okay. And if you're a fleet owner with 100 trucks, then obviously you're doing 100. But you're a big fleet owner. You probably have the resources and the personnel to do that kind of thing. So this is -- this is why I'm looking at this, how -- how burdensome is it, and what are the resources for each fleet owner to do this?

And if you -- if you have newer trucks -- I guess, the newer truck that are 2013 and newer have OBD on them, so you can voluntarily agree to -- you can use OBD to do your -- to keep your records, I guess, so that
you'll have them.

So from my perspective, and all the smoking trucks we see in my district, I'm very much in favor of lowering this opacity limit. I think that should be done. And if there is a way to ease the burden of the record keeping that we're hearing from, from our fleet owners out there, then I would encourage our Chairman -- Chairwoman to work with -- work with our staff on a 15-day change that might alleviate that burden. But I think we need to kind of look closely at what that burden actually is.

And so I would make the motion to approve the staff's proposal with 15-day changes, including the change that my colleague Mr. Eisenhut made to allow an exemption for family transfers, and including the concept that you'll work with our Chairwoman on the issue of the record keeping. So I will make that motion.

BOARD MEMBER EISENHUT: Record reporting.

BOARD MEMBER MITCHELL: Record reporting, yes.

(Laughter.)

BOARD MEMBER MITCHELL: Let's get that straight.

CHAIR NICHOLS: Timing-wise, the process here is that if we adopt this -- adopt the resolution, adopt the regulation today, there still is a 15-day comment period, and then it gets brought back to this Board or no?
EXECUTIVE OFFICER COREY: If the Board acts, based on the direction that is provided here, we would not need to return to -- but here would be a suggestion that I would have. So the Board votes today. We'd move forward -- if the Board approves, we'd move forward with the 15-day change language as suggested, and move forward with finalizing the rulemaking package.

In the event that the bill that's referred to became law, our plan would be to come back to you shortly after that occurred, because then we'd owe the Board a report on the fact that a bill was acted on, and how we plan to proceed with respect to the implementation of this rule. It would a good time for an informational update on that bill, and any interaction with this regulation.

CHAIR NICHOLS: Well, there's a huge amount of public interest, and especially in the South Coast region and in the San Joaquin Valley, our two most impacted areas in the problem of trucks, and what they're -- you know, what they're emitting into the environment. There's just no question that we'd have to take further action to deal with this problem.

So I don't want to suggest that we want to kick the can down the road. I'm really just trying to find a way to make sure that we are doing this in the most sensible way possible. And this opacity rule, in general,
has proven to be a poor substitute for what we really need, which is a good inspection program. Nevertheless, if we're going to have an opacity rule at all, it should be something that's meaningful, and that can be enforced. So I get it that, you know, it's a good time to fix this thing up, if we can.

But I do think we're -- I, at least, and I hear from several other people, are somewhat troubled about the implementation and how it's actually going to work.

So maybe the right thing to do is just to ask for some further clarification of that before anything would go into effect, especially when it comes to the -- to the reporting requirement, which I realize is off in the future. But people start to make plans for these things, and I assume you're already working on it as a matter of fact. But, you know, the real benefit here I think is going to be in the direction of how we work together with the DMV on making sure that non-compliant trucks don't get registered. That's the -- that's the prize here. So how can we make sure that that's where the focus is, and that, you know, that's what we're -- that's what we're really getting done?

EXECUTIVE OFFICER COREY: A suggestion here. And it really, just as you indicated, revolves around the mechanics on the reporting provision, which will require
follow-on work with stakeholders. So my suggestion is because there's lead time, as is noted by several, in terms of when those reporting requirements would actually be applicable well before then. In fact, by early next year, we know if this bill went through the process.

CHAIR NICHOLS: Um-hmm

EXECUTIVE OFFICER COREY: At that point, we report back to the Board, did the bill become law, how are we proceeding on that? Two, we will have had under our belts more exchange with stakeholders on the implementation mechanics of the reporting requirements, where we stand, how that's moving forward, and if there's outstanding issues with it.

CHAIR NICHOLS: Okay. I think it's probably the best we can do. And it will be good. It will be a movement in the right direction.

So I'll ask for -- I think we don't actually have a motion and a second at this moment.

Ms. Mitchell has moved.

BOARD MEMBER MITCHELL: I made the motion.


BOARD MEMBER RIORDAN: I'll second it.

And Mrs. Riordan seconded.

All right. Can we do this with a voice vote? I think we can.
All right. All in favor please say aye?
(Unanimous aye vote.)
(Vice Chair Berg recused.)
CHAIR NICHOLS: Opposed?
None.
And no abstentions, except duly noted that or advice chair Berg was not present.
And with that, I think we should take a break for lunch. We have one big item to deal with when we get back. But can we say that we can resume at 1:30 then? And there will not be an executive session today. So there will be no discussion at lunch other than about people's summer vacations.
Thank you.
(Off record: 12:27 p.m.)
(Thereupon a lunch break was taken.)
AFTERNOON SESSION

(On record: 1:34 p.m.)

VICE CHAIR BERG: Well, welcome am back from lunch. We're going to go ahead and get started, and Chair Nichols will be joining us.

We're going to -- our last item on the agenda is Item number 18-4-4, California's Beneficiary Mitigation Plan for Volkswagen's Environmental Mitigation Trust.

In October, the Board heard staff's initial summary of the process to develop a plan to invest Californian's allocation of the Volkswagen environmental mitigation trust fund, sometimes referred to as appendix D of the Volkswagen consent decree.

Projects funded by this trust will represent California's fully committed mitigation of NOx emissions impacts caused by the Volkswagen scandal. As a reminder, Prior Board actions have focused on appendix C of this same consent decree. That appendix requires an investment plan prepared by Electrify America to invest 800 million in zero-emission vehicle projects in California over 10 years.

As lead agency for appendix D implementation, CARB has conducted an extensive public process, and is presenting today how we propose to allocate California's share of the trust, which is about 432 million -- I'm
The eligible mitigation actions listed in appendix D and specified in the proposed plan are primarily directed at funding heavy-duty scrap and replace projects, such as clean freight and delivery trucks, buses, and freight equipment.

I'm looking forward to staff's presentation to give us more details about these projects, and the allocations they are proposing. Mr. Corey, will you please introduce this item?

EXECUTIVE OFFICER COREY: Yes. Thanks Vice Chair Berg. As noted, the consent decree, as approved in October 2016 and May of 2017, established an environmental mitigation trust to address the past and future excess NOx emissions from the two litter and three liter diesel vehicles that are part of the VW settlement.

And as you mentioned, California's allocation of the nearly three billion national trust is about 423 million. Today, CARB staff is proposing a beneficiary mitigation plan required by the mitigation trust agreement. Throughout the public process, to develop the beneficiary mitigation plan, many stakeholders requested that funding be focused on zero-emission vehicles where available, and low NOx everywhere else, which became a guiding principle for the staff's proposal.
The funding proposed in this plan is consistent with legislative direction in Senate Bill 92 and is intended to complement the portfolio of clean transportation investments being made by CARB, other State agencies, and local governments.

Today, staff will present a summary of the proposed plan and seek the Board's approval. I'll now ask Lisa Williams of the Mobile Source Control Division to begin the staff presentation.

Lisa.

(Thereupon an overhead presentation was presented as follows.)

AIR POLLUTION SPECIALIST WILLIAMS: Thank you, Mr. Corey. Good afternoon, Chair Nichols and members of the Board. Today, I'll present staff's proposed beneficiary mitigation plan for the Volkswagen, or VW, environmental mitigation trust.

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AIR POLLUTION SPECIALIST WILLIAMS: Here's an overview of my presentation. I'll provide some short background information followed by the beneficiary mitigation plan goals and priorities. Then I'll talk about how this funding fits in with the rest of CARB's heavy-duty funding portfolio before discussing staff's proposal and concluding with our recommendations.
AIR POLLUTION SPECIALIST WILLIAMS: The Volkswagen settlement stems from the automaker's use of illegal software designed to cheat on emissions tests in certain two and three liter diesel vehicles sold in the U.S. These defeat devices resulted in oxides of nitrogen, or NOx, emissions up to 40 times the legal limit. As part of the settlement agreement, consent decrees were approved by the court.

Appendix D of the first consent decree is what we're talking about today. It establishes the environmental mitigation trust, which is intended to fully mitigate the lifetime excess NOx emissions caused by the subject VW diesel vehicles.

The national trust is $2.7 billion. California's allocation is about 423 million.

There's a third consent decree that addresses civil penalties that are in addition to the rest of the settlement.

AIR POLLUTION SPECIALIST WILLIAMS: Both the consent decree and subsequent trust agreements specify the requirements of the trust. Wilmington trust is the trustee. The documents specify the types of eligible mitigation actions or projects that could be funded.
They're mostly scrap-and-replace projects for the heavy-duty sector. They also specify the maximum per vehicle or equipment funding amounts based on the category and whether the eligible vehicle or equipment is government owed or non-government owned.

The documents also specify the allowable administrative costs associated with implementing the projects. And they specify the funding request process and requirements as well as the auditing and reporting requirements. So while we have some flexibility in selecting the types of projects to fund, it's a limited list with restrictions.

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AIR POLLUTION SPECIALIST WILLIAMS: Here's how the trust works. As the lead agency, CARB develops a beneficiary mitigation plan with public input, and then submits the plan to the trustee. The plan summarizes how California plans to use its $423 million trust allocation. This is followed by a public process to further define the projects, and develop solicitations where appropriate. Once the projects are selected, CARB submits funding requests to the trustee for projects identified in the plan with specific instructions to Wilmington Trust on how to disburse those funds.

Wilmington Trust disburses the funds directly to
project administrators to fund the eligible mitigation actions, projects. So the money never comes to the state, except for CARB's administrative costs.

CARB then conducts audits and reports to the trustee semiannually.

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AIR POLLUTION SPECIALIST WILLIAMS: Staff developed the proposed plan with valuable public input. We've held eight public meetings since last fall. In February and March of this year, we conducted six public workshops in six different regions of the state to get feedback on staff's preliminary recommendations for the plan. We also received comments through an on-line docket that was opened in September through until late last month. We received more than 80 individual comment letters, and more than 4,000 comment emails, the latter of which supported funding zero-emission technologies ahead of anything else.

And staff had more than a dozen meetings with individual stakeholders. The State legislature additionally provided input into the plan's development by passing Senate Bill 92 last year. And I'll talk more about SB 92 a little later.

All of this public input helped shape today's proposal.
AIR POLLUTION SPECIALIST WILLIAMS: Next, I'll talk about the goals and priorities for the proposed plan.

AIR POLLUTION SPECIALIST WILLIAMS: The intent of the VW mitigation trust and the priority for staff's proposal is to mitigate the past and future NOx emissions caused by VW's actions. Staff calculated that NOx target as 10,000 tons. This is a conservative amount. It assumes an 85 percent VW vehicle recall or buyback rate by mid-2019, as required by the consent decree. It also accounts for uncertainties in the vehicle technology market demand, the mix of projects within the recommended funding categories that could be funded, and the infrastructure needs. Staff used this target when determining the funding proposals presented here today.

AIR POLLUTION SPECIALIST WILLIAMS: California's unique air quality challenges have lead the State to adopt many policies that not only aim to address those challenges in the near term, but also guide longer term solutions.

Many of those policies and drivers are listed here. These are intended to improve air quality and cut toxics exposure; transform California's fleet to
zero-emission and near zero-emission technologies across all vehicle and equipment categories, including the heavy-duty freight sector; and reduce petroleum dependency. At the same time, we also need to ensure that public funds benefit Californians living in communities that are disproportionately impacted by air pollution.

And that leads me to SB 92 past last June. The bill directs CARB to strive to ensure that 35 percent of California's trust allocation benefit disadvantaged or low-income communities. The bill also requires the trust expenditures aligned with state priorities, and provide for public transparency before approval.

Lastly, the bill requires CARB to report annually to the legislature on the proposed and actual expenditures.

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AIR POLLUTION SPECIALIST WILLIAMS: Before I discuss staff's proposed funding, I think it's important to explain how this new funding program, the VW mitigation trust, fits in with the rest of CARB's funding portfolio and keeps the balance.

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AIR POLLUTION SPECIALIST WILLIAMS: The funding proposed in the beneficiary mitigation plan presented here today is intended to complement the portfolio of clean
transportation investments being made by CARB, other State agencies, and local governments. Eight funding programs shown here make up CARB's heavy-duty funding portfolio.

One of CARB's challenges is finding the right balance between investing in technologies that provide cost effective, near-term emission benefits, such as low NOx engines versus investing in transformative, zero-emission technologies that cost more now, but are necessary to meet our longer term goals. We need both.

California must get near-term reductions from cleaner combustion, and we need to invest in more costly zero-emission technologies that will become the cost-effective technologies of the future. All of these programs on this slide work together to strike a balance between near-term, and long-term emission reductions.

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AIR POLLUTION SPECIALIST WILLIAMS: Now that we've talked about how the overall portfolio is balanced, let's now talk about how we balance the proposed beneficiary mitigation plan with investments in near-term and long-term technologies.

Our proposal includes funding for low NOx combustion freight categories to ensure near-term NOx reductions to fully mitigate the impacts caused by VW's actions, and funding for zero-emission technologies to
accelerate their deployment in the heavy-duty sector and make progress towards the state's long-term goals.

The proposed funding directs a larger share of investment to the zero-emission technologies, because of the higher cost of those at this stage of their development compared to combustion technologies. This is necessary and appropriate in order to fund the vehicles it takes to move the market and have a real impact in accelerating zero-emission technologies towards broader commercialization.

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AIR POLLUTION SPECIALIST WILLIAMS: To explain how we got to our proposal, I'd like to talk about the guiding principles. These guiding principles were shaped by public input as well as the policies and statutes I've mentioned. Of course, the consent decree requires that we fully mitigate NOx, so that we needed to ensure that the proposed project categories and allocations would do that.

It's also important that at least 35 percent of the funds benefit disadvantaged or low-income communities, as required by SB 92. Many stakeholders from as far back as our very first workshop have advocated for a focus on zero-emission technologies where available, and low NOx everywhere else. That has been a consistent theme throughout the public process.
In order to ensure we are fully mitigating the excess NOx, this funding needs to be surplus to regulations, and additional to other funding sources.

We also believe it's important to invest funds statewide, while supporting technology transformation in the heavy-duty sector, in order to help us make progress towards long-term goals.

And we think it's important to implement these funds using a known method of public process competitive solicitations, and project management, as we've done with low carbon transportation investments.

Lastly, we must ensure accountability and transparency.

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AIR POLLUTION SPECIALIST WILLIAMS: The proposed funding shown here provides a balanced approach for fully mitigating the excess NOx by investing in cost effective technologies like low NOx engines, and for committing to long-term goals by investing in zero-emission technologies.

Additionally, staff expects more than 50 percent of the total project allocations will benefit disadvantaged or low-income communities. These proposed funding categories include nearly all of those eligible in the consent decree.
On the next several slides, I'll talk about each of the project categories you see here, but I wanted to also mention the reserve amount shown in the table. The consent decree allows up to 15 percent of the State's allocation to be spent on administrative costs associated with implementing the projects, including the required record -- reporting and auditing.

Staff expects the administrative costs will be lower than this for most or all of the proposed funding categories, which would make funding available to additional projects.

These proposed categories and allocations were determined with public input and are based on technology availability, the market demand as demonstrated by other funding programs, and the ability of the proposed project categories to fully mitigate the excess NOx.

Stakeholders expressed concern over the ability of smaller agencies and businesses to access funding, if all funds are allocated at once. So, in response, staff proposes to allocate most project categories in at least two installments providing additional time and funding opportunities for those fleets.

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AIR POLLUTION SPECIALIST WILLIAMS: Staff proposes allocating $130 million to replace existing
transit, shuttle, and school buses with commercially available zero-emission technologies. This allocation would support early adoption of these technologies, while reducing diesel's harmful impacts on children. Staff is proposing that no more than 50 percent of the available funds be spent on a single bus category. This is in response to stakeholder concerns about one category taking all of the funds and smaller fleets' ability to compete.

Staff proposes implementing this allocation on a first-come first-served basis. As required by the consent decree for each bus funded, an existing bus in the owner's fleet must be scrapped. Proposed per vehicle funding amounts for all zero-emission categories incorporates funding to help offset but not fully fund supportive infrastructure costs.

This provides fleets the flexibility to use the funds either entirely for the vehicle or to help meet their infrastructure needs. In general, public fleets are eligible for more funding than private fleets, as the consent decree has restrictions for per vehicle funding amounts for private fleets.

This goes for all of the proposed funding categories. Staff estimates at least 50 percent of this allocation will benefit disadvantaged or low-income communities. It's important to note that each of the
project categories proposed here are intentionally not
tfully defined. Full project implementation details will
be determined with public input in the phase following
beneficiary mitigation plan approval, which we hope will
start tomorrow.

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AIR POLLUTION SPECIALIST WILLIAMS: Staff is
proposing $90 million to replace class 8 freight and port
drayage trucks with commercially available zero-emission
technologies. At least four manufacturers are expected to
deploy zero-emission class 8 trucks in the next one to
three years. Staff proposes 70 percent of this allocation
be focused on expanding the market, as manufacturers bring
addition zero-emission trucks on board in the next three
to five years.

We also propose this category be administered on
a first-come first-served basis. For each truck funded,
the owner must scrap an existing truck. Staff expects at
least 50 percent of this allocation will benefit
disadvantaged or low-income communities.

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AIR POLLUTION SPECIALIST WILLIAMS: Up next is
zero-emission freight and marine projects. Staff proposes
allocating $70 million to fund the most cost-effective
zero-emission freight or marine projects. Vehicle or
equipment owners would apply for funding via competitive solicitation with at least 75 percent of the allocation benefiting disadvantaged or low-income communities.

For each funded vehicle or equipment, other than shorepower, the owner must scrap an existing unit.

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AIR POLLUTION SPECIALIST WILLIAMS: This next category is combustion freight and marine. Staff proposes allocating $60 million to fund the most cost-effective low NOx or cleanest available combustion technologies for the freight or marine sector. Eligibility includes low-NOx engine repowers or vehicle replacements for class 7 and 8 trucks; tier 4 repowers or replacements for freight switcher locomotives; and tier 4 or hybrid repowers for ferries, tugboats, and towboats. For each funded replacement or repower, the owner must scrap an existing unit.

Vehicle or equipment owners would be eligible to apply for funding via competitive solicitation, which would also require at least 50 percent of the allocation benefit disadvantaged or low-income communities.

Some stakeholders suggested we should allocate more funding to cost-effective strategies like low NOx engines, and other cleaner combustion technologies. We think staff's proposal strikes the right balance, and we
will reassess the market after we have results from the first round of funding.

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AIR POLLUTION SPECIALIST WILLIAMS: The last recommended category is for light-duty zero-emission vehicle charging and hydrogen fueling infrastructure. Staff proposes allocating $10 million to help support ZEV adoption by enhancing infrastructure development with a target of $5 million for charging stations, and five million for hydrogen fueling stations.

This funding will complement other funding being implemented through many other sources including the Energy Commission, the California Public Utilities Commission, and the $800 million VW ZEV investments through Electrify America.

Stakeholders commented that even with the funding currently available, there will continue to be significant gaps in light-duty ZEV infrastructure coverage. We are not presuming this recommended allocation will cover all of those gaps.

Instead, staff will strive to ensure that the proposed allocation is strategically invested where other funding isn't meeting demand, while taking advantage of opportunities to leverage other funding.

Staff proposes these funds be administered
competitively and at least 35 percent of the allocation will benefit disadvantaged or low-income communities.

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AIR POLLUTION SPECIALIST WILLIAMS: Next, I'll talk about the expected benefits from the proposed funding, project administration, and program oversight.

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AIR POLLUTION SPECIALIST WILLIAMS: Staff estimates this funding proposal would reduce NOx emissions by more than 10,000 tons over a 10-year period. The proposed funding is expected to deploy about 1500 zero-emission heavy-duty vehicles and more than 800 low NOx or clean combustion trucks and equipment, all while removing old highly polluting vehicles and engines from service for good.

And this plan would provide cleaner air and improved human health for all Californians, particularly in communities most disproportionately impacted by air pollution.

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AIR POLLUTION SPECIALIST WILLIAMS: Staff believes that statewide implementation of these funds is essential. This is the only program in CARB's funding portfolio that is governed by a consent decree, and that has a required NOx reduction target, making accountability
Implementing these funds on statewide basis would streamline the accounting review and auditing by CARB as required by the consent decree. It would also ensure funding is available where the demand is greatest, and would result in more competitive and cost-effective projects.

Staff proposes working with the South Coast, San Joaquin, and Bay Area air districts to implement the project categories. Each project category would be implemented by one air district on a statewide basis. Project administrators would be responsible for conducting outreach, and further defining projects with CARB direction, developing solicitations, processing applications, and issuing payments, and participating in audits and reporting requirements.

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AIR POLLUTION SPECIALIST WILLIAMS: As projects are implemented, staff will develop metrics to evaluate project performance and make adjustments as necessary to meet the demand. In the case of oversubscribed and undersubscribed project categories, staff proposes the Executive Officer have the authority to reallocate up to 20 percent of the category's original allocation amount, as long as the NOx mitigation target will be met.
During implementation, CARB will work with the air districts to analyze alternate funding scenarios for emissions benefits and alignment with the guiding principles. Any proposed reallocation above 20 percent would require Board approval.

As required by the consent decree, CARB will submit the beneficiary mitigation plan updates to the trustee.

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AIR POLLUTION SPECIALIST WILLIAMS: CARB will provide program oversight, including directing project development during implementation, submit funding requests to the trustee, and make them publicly available. And conduct program reviews and fiscal audits.

CARB will report semi-annually to the trustee on project progress as required by the consent decree. As required by SB 92, CARB will report annually to the legislature on the proposed and actual expenditures. And staff will provide annual progress reports to the Board.

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AIR POLLUTION SPECIALIST WILLIAMS: And this is where the ending becomes the beginning.

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AIR POLLUTION SPECIALIST WILLIAMS: In summary, the plan before you today proposes a balanced investment
that fully mitigates the excess NOx caused by VW's actions, and shows a commitment to long-term goals. This proposal would accelerate zero-emission heavy-duty vehicle deployments that are needed for a sustainable freight future. Investing in these technologies today will help bring down costs, so they become the cost effective technologies of tomorrow.

And the investments will be adding in the trans -- I'm sorry, and the investments will be aiding in this transformation while providing benefits to disadvantaged and low-income communities.

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AIR POLLUTION SPECIALIST WILLIAMS: In conclusion, we recommend the Board approve the proposed beneficiary mitigation plan for California.

Thank you.

VICE CHAIR BERG: Thank you, Lisa. That was a great report. Appreciate that.

I think with the Board's indulgence, we have 30 witnesses that's going to be testifying. Why don't we go ahead with that, as soon as Dr. Sherriffs just going to ask a very quick question. And then Mary will be back for the rest of our discussion. As well.

BOARD MEMBER SHERIFFS: Well, we'll see how quick it is.
(Laughter.)

VICE CHAIR BERG: Oh, darn.

BOARD MEMBER SHERRIFFS: A couple of the categories it's I first-come first-served. And a couple of the other categories are cost effectiveness. And so just -- it's clear that projects might come up after the fact that provide more benefit than. It's straightforward if it's first-come first-served. But we may miss some opportunities there and I'm wondering how we decided to do some one way and some the other way, because apparently we do it either way. Was that short enough?

MSCD INNOVATIVE HEAVY-DUTY STRATEGIES SECTION MANAGER CHRISTENSEN: Thanks. Good question. So many of the categories that we're proposing for first-come first-served, we developed that through the public process with a lot of input from stakeholders who pointed out that fleets when they're making a purchase decision, their procurement cycles don't always match up with our solicitation timelines.

So from a fleet perspective, it's more helpful in those cases to have the funding available when they're -- when they're ready to purchase a vehicle. In some cases, the know when they're going to be purchasing, because they have a -- they have a procurement schedule. And in other cases, it's unexpected. They weren't planning to -- you
know, maybe their vehicle had a service issues, or they're expanding their fleet or something like that.

In the case of the competitive solicitations, we've developed the bins that have the competitive solicitations, primarily in the cases where we really want to make sure that we're getting the best projects maximizing the NOx reductions. So looking for the most competitive projects that can compete for that funding.

So it's a little bit of a balancing act, but it really takes into consideration how the -- how the fleets are purchasing their vehicles and equipment.

BOARD MEMBER SHERRIFFS: Thank you.

VICE CHAIR BERG: And I do want to assure our Board members that we'll have lots of time to ask questions of staff as well after the public testimony.

So we'll see up here to my left. Please come down as the person in front of you is completing. And so we'll start out with our air quality district partners. Welcome.

MS. DARLINGTON: Hi. Thank you very much. This is Christiana Darlington. I'm speaking on half the Placer County Air Pollution Control District. We wanted to come down to especially thank you for your staff and the director's interest in making sure that we can combine funds, especially funds from AB 923 for -- in order for us
to make matching requirements to replace automotive and -- excuse me, locomotive goals that we have in Placer County.
So in order for us to achieve that, we do need to combine the funds. And we're very appreciative of the efforts that have been made recently to make that happen.

Thank you very much and have a great afternoon.

VICE CHAIR BERG: Thank you for coming.

MS. SCHKOLNICK: Good afternoon, Chair Nichols members of the Board. My name is Karen Schkolnick and I'm with the Bar Area Air Quality Management District.

I want to begin by thanking the Air Resources Board for allowing us the opportunity to comment on this process. And I want to thank staff for their work developing the proposed beneficiary mitigation plan.

Overall, we greatly support the proposed plan and its guiding principles that we feel will help to accelerate the adoption of zero-emission technologies by focusing funding on projects that will achieve significant NOx reductions, as well as achieve other co-benefits.

We're also very encouraged to hear that ARB is considering partnering with air districts on the administration. This approach will help to expedite the distribution of funds, and resulting emissions reductions by leveraging the vast experience the air districts have achieved over the years, and as well as our established
grant administration systems, and our extensive stakeholder networks.

We also have some suggestions that we think will be help to ease the program's administration and expect emissions reductions in California's communities, that we hope you will consider as part of your action today.

Consider allowing approved projects at least two years of time to complete procurement of vehicles and equipment. Also, consider allowing awarded funds to be used for both vehicles as well as supporting infrastructure.

For the bus category, consider increasing or eliminating the 50 percent funding limit, so that we can fund the most cost effective projects for any of the three types of buses that are part of this category, so that NOx mitigation benefits can be maximized. Also, consider expanding eligibility requirements in the bus category to include private entities that own or operate buses that are used on behalf of public agencies.

Finally, we also would seek clarification on how ARB will be allocating any of the remaining 63 million in reserves after administrative costs have been addressed.

Finally, again, I just want to thank ARB for consideration of these comments, and we look forward to continuing our partnership with you on the successful
implementation of this program.

VICE CHAIR BERG: Thank you.

MR. LEMUS: Good afternoon, Vice Chair Berg, to the CARB Board staff. My name is Jaime Lemus. I'm a senior manager with the Sacramento Metropolitan Air Quality Management District. Thank you for this opportunity.

The Sac Metro Air District supports the proposed beneficiary mitigation plan for the Volkswagen environmental mitigation trust. Targeting reductions of 10,000 tons of NOx in California by focusing on near-term combustion categories and long-term zero-emission technology is smart and appropriate. We support the guiding principles, the funding proposal, and the plan for our partner districts to administer this program. We will work diligently to bring Volkswagen NOx mitigation funds into the Sacramento region to deploy zero and near-zero emission technology.

We believe it is imperative that these mitigation funds are distributed throughout the entire state to help all Californians breathe easier. As such, we will aggressively pursue funding to clean up the Sacramento region's fleets. We would also like to applaud CARB staff's efforts in working with the Volkswagen trust in developing the program.
Thank you for all your work.

VICE CHAIR BERG: Thank you very much for coming.

CAPCOA EXECUTIVE DIRECTOR ABBS: Good afternoon.

Alan Abbs with the California Air Pollution Control Officers Association. I wanted to start off by supporting staff's proposal today. I'd like to express appreciation for working with the San Joaquin Air District, Bay Area, and South Coast in selecting them to manage the individual buckets of funding.

And personally, I will commit to making sure that -- that all the air districts, and all the businesses in California have access to those funds, even though one air district may be administering that bucket on behalf of the entire state. So I'll make that commitment to make sure the air districts that are managing that fund -- those funds work to do that. And so thank you again, and support staff's proposal.

VICE CHAIR BERG: Thank you.

MR. HEADLEY: Good afternoon, Board. I'm missed Mary again. Missed her last meeting. But anyway, I'm rod Headley, president and owner of Central California Power.

I want to expand on the effective use of funds, whether Volkswagen cap and trade, Carl Moyer, or any other funding source. And I know this probably doesn't apply to the Volkswagen funding. But I wanted to give you an
example of how repowers and industrial ag repowers can remove NOx and particulate matter.

Our emissions person, Paul Raul Portugal -- Raul Portugal -- excuse me -- spent three months finding, preparing paperwork, inspecting one major repower project for 18 pieces of large construction equipment 250 to 700 horsepower, high running, older construction equipment, which was presented to our districts San Joaquin Air -- Valley Air Quality Control nine months ago and approved eighty months ago on its cost effective and immediate reductions attributes.

This is a $4.8 million Air Board funding project with a five-year life. NOx will be reduced by 356 tons and 2.5 PM by 15 tons for that five years. The equipment will more likely -- more than likely work on additional 10 years equating to an additional 712 tons of NOx, 30 more tons of PM, which means the total of 1,068 tons of NOx and 45 tons of PM in 15 years, with most of the work being done in environmentally justice areas, disadvantaged areas.

The air district has been waiting to draw up the carts, but are waiting on funds from CARB to execute them, which could have completed the project in four to five months and been reducing six tons of NOx and a half ton of PM every month.
Cost-effective projects with immediate reductions are definitely where the available funds should be going. Carl Moyer funds administration -- administrated by San Joaquin Valley Air District, which is a competent, a very competent air district we've been working with since 2006, performing over 700 diesel engine repowers, providing a massive amount of NOx and PM reductions, an average of 1200 tons of NOx, and 30 tons of PM annually, not counting privately funded oil and ag projects, which don't affect the air district, that also reduce.

We have proved to proper checking of cost effective repowers are proven to be the best bang for the buck on reducing NOx and PM emissions.

I'm not through. Can I have another minute?

VICE CHAIR BERG: No, you have 30 people testifying. Thank you so much.

MR. HEADLEY: Thank you.

MR. PORTUGAL: Okay. Good afternoon, Chair Nichols, Board Members, fellow air heads. My name is Raul Portugal with Central California Power.

And I'm here today to please ask the Board to consider adding the low NOx bus repowers to eligible projects under the Volkswagen mitigation trust, especially school bus repowers.

You know, currently, the Air Board is funding 10
CNG replacements to electric buses in a city of only 17 square miles with an average of 200 riders per day, and 10 routes. A project like that does not really seem to be very cost effective or meaningful.

The public image of zero-emission fleet is great. But that same money could have been used in repowering 60 school buses for disadvantaged communities surrounding that same area, which would see emissions reductions over 700 tons of NOx per year, instead of seeing just a couple pounds per year going from CNG to electric.

I just kind of would like the Board to consider what Sheriffs said, sometimes first come served is not most best way -- is not the best way. We support a two-phase or kind of a -- not just a first-come first-served, just a secondary option for where cost effectiveness would be considered, especially in the -- in the first years of new technology, it could be very catastrophic where there is not a lot of R&D done for, you know, 500,000 miles for five years on the vehicles. Yet, on the new engines, low NOx engines are already available that would require no additional infrastructure can be very beneficial for immediate reductions and also long term.

Thank you.

MR. COATES: Hello, Chair Nichols and Board. I'm
Michael Coates mighty com[phonetic]. I'm here representing today the Diesel Technology Forum, not-for-profit educational organization representing manufacturers, and suppliers of advanced diesel engines, fuels, and emissions control technology.

And I thank you for the opportunity to comment on this mitigation plan. I put myself down as neutral on this, because DTF supports the plan -- the mitigation plan, but we believe that there's been a little bit of a misallocation of funds in the plan presented by staff.

We provided materials for the Board's consideration, in addition to some written comments that we submitted earlier, but I'd like to underscore some of our comments. We may be mistaken, but we believe that this plan should be about mitigating NOx emissions in the most cost effective, fastest way possible.

As it currently stands, the most cost effective projects that will deliver the most emissions reductions, including those for disadvantaged communities are slated to receive the least funding under the proposed plan.

Fully 71 percent of the total emissions reduction benefits of the proposed plan will be derived from a single category, the internal combustion engine freight and marine, that will receive only 14 percent of the funds.
The most cost effective near-term NOx reduction technologies are not zero-emission technologies, but advanced internal combustion engine technologies. Our recent joint research with the Environmental Defense Fund, which is highlighted in some of that material that you've just got, verified that the most cost effective upgrades make the biggest health impacts.

For example, upgrading a single switcher locomotive to the latest tier 4 diesel technology reduces nine tons of NOx a year, equivalent of replacing 29 older trucks, or removing 8000 cars from the road, all at cost of about $15,000 per ton of NOx. Some of the marine replacements options are even more cost effective, but those do not seem to be the favored options in the current plan.

In addition, we also believe this proposal -- the staff proposal is out of step with what Californians really want. A recent public opinion poll conducted among 2000 Californians across the state confirms that its vision for the future -- on the vision for the future confirms that 7 of 10 Californians are not willing to sacrifice proven near-term technologies for what could be in the future. No reason that they can't have both with some reallocation of funds in this program.

California has pushed hard to reduce emissions
from diesel engines to near zero and you should be congratulated for those efforts.

Now, it's time to get those technologies out in the field and generate the benefits.

Thank you very much.

MS. JACKSON: Good afternoon. My name is Abbie Jackson. I'm an urban and regional planner representing the Greater Sacramento Economic Council, where our mission is to drive sustainable economic growth in the capital region of California. First of all, thank you so much for your hard work and expertise in protecting our comments.

These funds present a great opportunity to transform the market in support of zero-emission vehicles. However, we suggest that the funds be better leveraged to drive growth in tradable sector jobs by incentivizing and investing in advanced manufacturing of zero-emission vehicles.

Incentivizing consumption is not enough to keep our manufacturing jobs here. States like Nevada are poaching our jobs in the green economy with the Tesla factory for example, despite CARB's foundational work in the ZEV market.

The long-term outcome of investing in advanced manufacturing will fill the missing link of this plan. It will create inclusive job opportunities for low, middle,
and high schooled -- high skilled labor forces through ZEV automobile component and R&D.

To do this, the plan could mandate that the project recipients prioritize the purchase of California made vehicles to ensure green economy manufacturing jobs are incentivized to stay in California.

Additionally, a portion of the funds should be put towards a targeted investment, such as a business start-up accelerator cited in Sacramento focused on future mobility. The details of this are also presented in the written comments that we gave you.

So please consider our comments, and thanks again to the Board and staff for all your hard work.

Thank you.

MR. SMITH: Good afternoon. I appreciate the chance to speak here today. My name is Travis Smith, and I'm a law student at UC Hastings in San Francisco. And I come as a concerned citizen. I just wanted to say that I support the proposed beneficiary mitigation plan, because I believe that this plan will use the Volkswagen settlement funds to ensure a cleaner and healthier California for all of us.

Using these funds is important, because funding on this scale can accomplish things that are out of reach for smaller investments. A move to zero-emissions
vehicles posted significant challenges at consumer and end-user levels. These funds and this settlement allow California, as a state, to overcome barriers that would otherwise be borne exclusively by consumers and end-users.

Our movement to a cleaner future should not lie solely on the shoulders of those who have the financial means to adopt new technologies.

With the economy of scale enabled by the size of the settlement fund, we will able to do things that smaller investments can't, like purchasing zero-emissions vehicle for mass transit, and setting up a more comprehensive network for zero-emissions vehicles. The plan focuses on categories where zero-emissions vehicles are known to provide a viable option, like buses and freight trucks. These solutions will provide effective and durable reductions of emissions that harm our bodies, and our planets.

They will also be solutions that can be implemented immediately, and which will impact the quality of the air in our cities right away.

The light transit vehicle infrastructure, which includes a mix of electric vehicle charging stations and hydrogen stations is part of a scalable solution that will allow us to make zero emission the new norm. Together, these actions will make a significant dent in our
greenhouse gas and pollutant output for years to come.

In contrast to these solutions are the calls from the gas industry to use a greater portion of the settlement monies for natural gas vehicles. It is shortsighted to bolster a structure that is not staged to achieve our goals as far into the future as we can possibly see.

Natural gas will not help us move towards a zero-emissions future. And as it becomes clearer and clearer that zero-emission vehicles are the wave of the future, it makes less sense than ever to invest in fossil fuel options.

With the Volkswagen settlement, we have the chance to lay a foundation for a future, in which the air gets cleaner by the day. I support the trust focus on the transformative investments that will put us on track for a lower emissions future in long term, rather than using these monies to fund near-term reductions that leave us dependent on fossil fuel technologies.

Thank you.

MR. BLUBAUGH: Good afternoon. My name is Tim Blubaugh. I am with the Truck and Engine Manufacturers Association, or EMA. EMA members manufacture heavy-duty engines in medium- and heavy-duty commercial vehicles, including those powered by near zero and zero-emission
technologies. The proposed beneficiary mitigation plan before the Board today includes funding to incentivize the deployment of many low NOx and zero emission technologies for heavy-duty vehicles.

The project categories that are eligible for funding include several specific types of heavy-duty vehicles. And the plan allows for zero-emission vehicle infrastructure expenditures as part of that funding. We support the proposed plan.

However, we would like to point out the disconnect between the limited and targeted funding in the mitigation plan, and the advanced clean trucks rule that ARB is developing to require that manufacturers sell zero-emission medium- and heavy-duty trucks. The Advanced Clean Trucks Rule would mandate the sales of significant quantities of commercial vehicles with class -- in class 2B and greater, including pickup trucks, vans, partial delivery trucks, construction trucks, refuse trucks, and even highway tractors.

The rule would cover the entire highly diversified spectrum of commercial vehicles. The stated goal of the Advanced Clean Trucks Rule is to establish a self-sustaining market for zero-emission commercial vehicles in California.

We also support that ambitious goal. However, a
A self-sustaining zero-emission commercial vehicle market actually requires three critical elements: Available vehicle offerings, fleets willing and able to purchase those vehicles, and a charging infrastructure needed to support the vehicles in service.

Missing anyone of those elements could doom the effort. And currently, the Advanced Clean Trucks Rule only considers the first element. At the same time, the proposed beneficiary mitigation plan fails to fully incentivize the purchase of the broad categories and significant quantities of zero-emission commercial vehicles that manufacturers would have to sell under the Advanced Clean Trucks Plan, and it does not allocate sufficient funding for the massive investments in infrastructure that would be needed to recharge those vehicles.

To successfully establish a self-sustaining market for zero-emission commercial vehicles in California. We believe that ARB must holistically addresses all three market elements: vehicles, fleets, and infrastructure.

Thank you.

MS. HOLMES-GEN: Good afternoon, Chair Nichols, members. Bonnie Holmes-Gen with the American Lung Association in California.
The Volkswagen scandal was a terrible chapter in air quality history that caused excessive pollution and attacked the health of the public. And now we can't turn back the clock and erase the damage that's already been done, but we must make sure we do everything possible to mitigate the full amount of excess pollution and more. So we support the goal of the 10,000 tons of NOx reduction as an incredibly important step forward.

We believe that staff has struck an important balance in putting this proposal together, between the NOx mitigation, the need for electrification, and technological advancement to achieve our long-term clean air and climate goals, and investment in the communities most impacted by unhealthy air.

We do want to emphasize the support -- our support for the prioritization of electric technologies. This focus is a needed and in-line with California's overall push toward electrification of light-duty and heavy-duty vehicles to achieve our air quality and climate goals.

I wanted mention a couple specific categories. We applaud the efforts to fund the electrification of school buses. Appreciate there's been a lot of discussion about that lately, and we're very excited to have this additional tranche of funding to protect children's
health. And appreciate the flexibility that's going to allow school districts and transit agencies greater opportunities to apply for this funding within their procurement timelines.

We support the funding for zero-emission transit, shuttle buses, drayage trucks, freight, and port equipment. All of these categories are ready for electrification.

We are especially appreciative of the heavy focus on investment in disadvantaged and low-income communities well beyond the statutory requirement. So we applaud that.

And in conclusion, I would say that we would like to see this proposal, of course, move quickly to implementation. I don't see my timer going, so I don't know where I'm at, but --

VICE CHAIR BERG: Forty-five -- 45 seconds

MS. HOLMES-GEN: Okay. All right.

VICE CHAIR BERG: You're doing great, Bonnie.

MS. HOLMES-GEN: Okay. I can do it.

But we would like to see, of course as -- the implementation move forward quickly. I guess we'll give you till Tuesday to start, but maybe this afternoon, if you get done early, so we want to see these benefits as quickly as possible.
And I just wanted to mention on the reporting, I know you have several -- several formats you're going to be presenting information. I just wanted to make sure that you plan to have publicly accessible information on project expenditures, location, emission benefits, and tracking of the benefits in disadvantaged communities. We look forward to seeing that information publicly available, so that we can track these milestones and make sure that we are getting the benefits that we're -- that we're planning for today, and that your Board intends to get as quickly as possible.

Thank you.

MR. RUSHING: Good afternoon. Rocky Rushing with Coalition for Clean Air. Coalition for Clean air supports the balanced approach taken in the proposed VW environmental mitigation trust investment plan before you today. And it seems as if staff has spread the butter across the entire slice of bread, so that's -- that's pretty good.

Of course, the damage caused by VW's dishonesty has been done. And like toothpaste from the tube, the emissions from tens of thousands of cars sold in California can't be sucked back into these vehicles.

CCA strongly supports funding for zero-emission technologies when available and low NOx engines with low
carbon renewable fuels elsewhere. Residents in communities that disproportionately suffer from the adverse health impacts of dirty air need relief now.

CCA also agrees with the dual approach of seeking near-term admission -- emission reductions in these communities while taking the long-view approach to meeting California's future clean air requirements.

We commend staff for aiming beyond the 35 percent benefit mandate for low-income or disadvantaged communities, and shooting for 50 percent.

According to the staff report, nearly 28 percent of California's 25,000 diesel school buses are without a diesel particulate filter or have outlived their usefulness. And this is another great benefit to the proposal.

School districts will have a great opportunity to replace many of these -- many of these buses. However, we urge CCA staff to continue to work with school districts to replace non-compliant buses that are not eligible for VW mitigation funds, as children, as you all know, are particularly vulnerable to the impacts of PM.

Lastly, CCA applauds the investment in light-duty ZEV charging stations in multi-family dwellings. If we are to put five million ZEVs on the road by 2030, lower income drives must be included.
Placing charging stations in multi-family dwellings will be fundamental in making EV access a reality for this important segment of drivers. Thank you for your consideration.

MR. McKERLEY: Good afternoon, Chair Nichols and members of the Board. Thank you for the opportunity to speak today. My name is Matt McKerley. And I'm here on behalf of Earthjustice.

Earthjustice supports the proposal to invest $300 million in zero-emissions vehicles and infrastructure. For far too long, millions of our citizens have disproportionately paid a heavy price for the economic success this country has enjoyed over the last century, and we support the proposal's focus on those communities that have historically suffered the most.

We are here today, because Volkswagen violated law. The proposal before you takes that wrong, and provides an opportunity for California to lead the way, not only for this country, but for the world to take bold steps towards a zero-emissions future, especially in light of the current national political climate, and the frankly hostile posture the current administration has taken towards meeting critical climate goals and protecting communities from toxic pollution.

California stands as a beacon of hope for those
who believe that strong, aggressive government action can make a difference in people's lives, and move the needle towards a safer future.

Achieving zero emissions must be the goal. And we must begin to invest now in infrastructure and technology that will get us there. The proposal before you will protect children and those most vulnerable to the harmful effects of ground level ozone and fine particulates, as well as disadvantaged and low-income communities who live near ports and industrial sites with heavy concentrations of NOx and PM2.5.

We urge the Board to resist calls to invest more in non-zero emissions vehicles and equipment. It is only through significant investments in zero emissions technology now that we have a chance to achieve the economies of scale required to meet our climate goals going forward.

Californians have a right to a zero emissions future. We must take concrete action now towards that future. We strongly support the Board's proposal to invest money in the technologies and solutions that will enable us to achieve that vision, and that will continue to establish California as a leader in clear thinking and sound climate policy.

Thank you.
Good afternoon, Board and Chair. My name is Kristen Torres Pawling of the County of Los Angeles, Chief, Sustainability Office. Our office advises the Board of Supervisors, the 30 plus departments that make up the County of Los Angeles governments and the 88 cities of the Los Angeles region, on a variety of policy issues that make Los Angeles as a place more equitable, prosperous, and healthy.

So first, I want to echo the comments of Earthjustice in thanking the Board for your work in Washington D.C. this week. Los Angeles is counting on you to keep California -- California's leadership role securely in place.

On the item before us today, we submitted joint comments over the last several months with LA n Sync and verbal comments at the most recent workshop at the South Coast. We recommended that the trust funding be allocated to areas that were most impacted. And I'm here to reiterate our support for a plan that does that today.

So we're looking for at least a proportionate share of funding to the Los Angeles region. And as we're looking into the implementation phase, that the Los Angeles region is included, to the maximum extent possible, in the public workshop process. And especially on the freight and marine workshops, that those be held...
within the greater Los Angeles area.

I'll also point out that while I do not directly represent the other municipalities in Los Angeles, we frequently hear from our board of supervisors the role and the importance of county's leadership on air quality issues, on behalf of other local governments especially when it comes to applying for competitive pots of funding.

As you all know, we have a high share of cities that include disadvantaged communities, and we have 88 jurisdictions within Los Angeles, so quite a big group.

So I'm -- you're going to hear later from our largest city, which is a pretty high capacity place, but you're not going to hear from our other cities. And I'm just pointing that out as we get working on a regional approach, and we're looking with several partners to ensure that our region as a whole is thinking about how to engage in the mitigation trust funds.

With that, we're excited to move into the implementation phase and be an active partner, and just encourage you to keep in mind that startingly -- startingly diverse group of stakeholders that we're all working with as we move into implementation.

Thank you very much. We'll give you till Tuesday to start too.

(Laughter.)
MS. RONEN: Hi. Good afternoon. My name is Ellah Ronen. I'm with LA n Sync, a funder collaborative housed at the California Community Foundation. And we've been supportive of both County's Office of Sustainability and the City of Los Angeles' Office of Sustainability in coordinating and partnering in application and competition for both the Electrify America grant dollars and now the environmental mitigation trust grant dollars.

We've been the organizer in submitting joint public comment letters that have included municipalities, nonprofits, CBOs, and other philanthropic organizations to ensure that UCS is working together collaboratively as a region, and that we are, in fact, talking to each other, which, as Kristen mentioned, is quite a feat with 88 cities within this jurisdiction.

I'd like to echo her comments in saying that we would like to see minimally a proportional share of the dollars we distributed throughout the state, and at the same time reiterate that we do hold a majority of the disadvantaged communities in the county -- or in the State within the County of Los Angeles. And I would be remiss if as a representative of philanthropy I did not point that out.

And on top of that, we would like to thank you for having hosted one of your workshops at the South Coast
AQMD in L.A. County, and would like to invite you to continue doing so as we move into the implementation process. So thank you so much for your time.

MR. MAGGAY: Good afternoon, Chair Nichols, Board members. I'm not Tim Carmichael. We decided to switch. I hope that's okay.

My job is to get on base and he's going to drive me in. Obviously, there's a lot of money available. Through GGRF, and through the VW settlement, and through the existing programs, there's over a billion dollars available to the State right now for air quality issues. But really this is a drop in the bucket to what the State really needs is to meet it's near-term and long-term goals for attainment and for greenhouse gases, and zero-emission vehicles goals.

San Joaquin and South Coast alone, they've estimated that they need over a billion a year each to meet their near-term attainment goals. And you guys all know, but attainment goals are to meet the National Ambient Air Quality Standards, which set to be protective of public health. So really this meeting attainment is a public health issue.

AQMD alone in their initial assessment estimated that they needed a billion dollars a year by themselves. They've publicly said that they've recalculated the
numbers and it's much more than that, possibly up to $2 billion a year.

With that said, the state needs to spend its money wisely and cost effectively. The most cost effective category, the category that gets the most emission reductions at the lowest cost is the combustion freight category.

Only 14 percent of the allocations go to this category. Yet, it gets the most emission reductions. It gets 70 percent of the total emission reductions, and that's because it is by far the most cost effective category. The 14 percent or 60 million is actually less than what is set for the administration of the program, which is a little astonishing to me.

But by reallocating, even just a portion of the funding of this category, you can achieve far more emission reductions that will exceed the minimum 10,000 ton reduction requirement. If you spent the same amount of money for near zero vehicles as opposed to zero emission vehicles, you'll get three times the emission reduction.

I just want to make that clear, I spoke to some of you this week. And I don't think I explained that correctly when we spoke. But if you spend $90 million on zero-emission trucks, you'll get about 1800 tons reduction
of NOx. If you spend $90 million on near-zero trucks, you'll get over 6000 tons. So there's obviously an emission reduction benefit by reallocating some of the money.

We'd recommend that the funding allocation for this category be adjusted from 14 percent to 21 percent to be use on technologies that are available today. And that can achieve emission reductions today that can improve public health today, and to help the regions make attainment in the near term.

Thank you.

MR. CARMICHAEL: Good afternoon, Chair Nichols, members of the Board. Tim Carmichael with Southern California Gas Company.

I just want to continue with Kevin left off. And I think you'll hear from a few other colleagues this afternoon, making similar points. We're asking the Board to make a small change to the staff proposal, that we think will have significant public health and air quality benefits. Staff is currently -- the staff's proposal is to get the minimum amount of emission reductions required by the mitigation settlement.

I can't recall another example where the ARB staff has ever proposed to get the minimum amount of reductions required. It is a very unusual situation for
the staff to be doing that.

We believe that by shifting a small portion of the funds to the most cost effective emission reduction strategies, the ARB can literally have its cake and eat it too. You can continue to invest more than three-quarters of this pot of funding on electric vehicle technology development, which is very clearly a priority for this agency and for the State. But you can also achieve significantly more pollution reductions in the very near term, the next two to three years, by investing more money in the near zero emission class 8 truck category.

That -- that's our pitch in a nutshell. We really think it makes sense on multiple levels, public health protection, while continuing to push technology development. And we encourage you to consider that adjustment to the staff proposal.

Thank you.

MR. PIMENTEL: Madam Chair and Board Members, Michael Pimentel with the California Transit Association. On behalf of our more than 80 transit agency members, I'm here to show our support for the proposed investment of $130 million in zero-emission buses and supporting infrastructure.

Last year, as this mitigation plan was being developed, we wrote in and in fact met with many of you to
advocate for our ambitious ask of investing roughly $300 million in zero-emission buses, trucks, and infrastructure. The mitigation plan I think comes fairly close to that. And it importantly was amended since the discussion document was released to allow for investments in charging and refueling infrastructure.

I want to thank staff for listening intently to our recommendations. And I will say that we look forward to working with you on implementation of these funds and to help promote this investment.

Now, one thing that I would like to note, however, is the staff report does recommend providing a cap of 50 percent for a single bus category. There is strong demand from transit agencies for dollars to invest in zero emission technology. If you look just at the fact that zero-emission buses, transit buses will be running virtually the entire day versus school buses, which will pull out in the morning, and go out and pick up kids in the afternoon, you might get more bang from your buck -- for your buck if you invest more in transit buses.

So we'd urge that this Board rethink that 50 percent cap for single bus category. And, in fact, disallow agencies to compete or rather to access these funds on a purely first-come first-served basis.

Thank you.
MR. WIRAATMADJA: Good afternoon, Chair Nichols and members of the Board. My name is Vincent Wiraatmadja. I'm here with Weideman Group on behalf of BYD and WAVE, as we all know BYD is a manufacturer battery electric trucks and bases, and WAVE is a manufacturer of wireless inductive chargers for medium- and heavy-duty vehicles.

We want to express our thanks and strong support for the proposal. We think it's a transformative amount of money that will go a long way to reducing a significant amount of NOx. And we look forward to doing what we can to support the effort.

Thank you.

(Laughter.)

MS. ALAFIA: Good afternoon. My name is Joy Alafia. And I'm with the Western Propane Gas Association. We represent propane marketers throughout the state.

I first wish to sincerely thank CARB staff for meeting with our industry at the start of drafting this regulation. We left that meeting with a rather positive outlook, sensing that our points were well received. While we chose to focus primarily on school bus vehicles, CARB staff appeared to grasp the benefits offered by propane, and even suggesting some of the greater benefits provided possibly by shuttle buses, and delivery trucks when you factor in the vehicle miles traveled.
We articulated that propane is the single best investment for NOx mitigation strategies, in the sense that it simply pencils out for cost effectiveness. On a dollar per NOx analysis, we provided a case where propane offers a reduction of 1200 tons of NOx versus 365 tons of NOx for electric with the same investment.

So these propane buses that we were proposing are really targeting rural parts of the state, where electric buses really aren't an option due to the duty cycle and the terrain. Propane -- and we're not just talking about dollars here. A propane investment would impact, in our scenario that we presented, an additional 167,200 kids.

With the renewable propane now available in the U.S. and low NOx engines meeting the 0.02 NOx category, CARB has the opportunity to improve the air quality for hundreds of thousands of kids in California.

I thank you for your time and further comments were submitted on-line. Thank you for your work.

MR. SAMULON: Good afternoon. My name is Michael Samulon. I work on transportation electrification in Los Angeles Mayor Eric Garcetti's Sustainability Office. I'd like to thank Chair Nichols and the Board for the opportunity to speak today. I'm speaking in favor of the mitigation plan being presented today, and would like to acknowledge all the work of the staff that's gone into
producing it.

Managing this mitigation trust is a big task with market-making consequences. And our office recognizes the many difficult choices that need to be made regarding the allocation of funding. I would like to emphasize that the South Coast region had the largest number of polluting diesel vehicles that were affected by the two consent decrees. As ARB moves into implementation, it should consider proportional funding based on vehicles affected, as a key parameter in the allocation of funds.

This is even more important if a-first come first-served approach is applied to the funding. The L.A. region has two big voices in the city and the county. And if you'll believe it, we speak too each other.

But we also have many other sister cities and regional agencies that are critical partners in any mitigation project that is undertaken here. And while we do all communicate, the nature of such a diverse regional stakeholder group means that we may not move quite as quickly as some of the other state -- statewide stakeholders. And we don't want the fact that we're taking a regional approach to decrease the potential level of funding that we have access to.

On a final note, I would like to offer the City's logistical and/or Rolodex support to ensure that a
sufficient number of public workshops take place in the
L.A. area. We strongly believe in the stakeholder input
process for local projects, and want to make sure that our
community is heard from.

Thank you again for the thoughtfully produced
plan and for your time today.

CHAIR NICHOLS: Thank you.

MS. GOLDSMITH: Good afternoon, Chair Nichols,
and members of the Board. My name is Hannah Goldsmith,
and I'm with California Electric Transportation Coalition.
And we are here in support of the proposed plan.

We appreciate staff's commitment to involve
stakeholders throughout the development of the plan. And
we submitted a letter with some suggestions for
implementation when it gets to that phase. But to spare
some time, I'll just say that we support the emphasis on
funding actions that will fully offset the VW NOx impacts
while reducing pollution for sensitive populations, and
ensuring disadvantaged and low-income communities benefit
from the investments.

The focus on zero emission technologies, where
available, and low NOx everywhere else aligns with State
priorities and will result in quantifiable and lasting
reductions in NOx and other air pollutants.

Thank you.
MR. KENNY: Good afternoon. Ryan Kenny with Clean Energy. We're the nation's largest provider of renewable natural gas transportation fuel. And in the spirit of collaboration and achieving the best plan possible, I would also like to offer support for the early comments that the plan could be improved upon by going from 14 percent allocation for low NOx and near-zero technology to 21 percent.

With 70 percent of the NOx reduction is projected from the 14 percent, by upping the funding from $60 million to $88 million, you can get the full 100 percent just with low NOx technology alone.

That would allow for both a short-term strategy on near-zero technology and long-term strategy on the transformative technology. It also ensures meeting the goal of 100 percent, while as a hedge against the uncertain technologies that the transformative -- transformative technologies to offer.

You all have seen probably the LA Times article from last week. You also have probably seen Elon Musk's comments on his earnings call recently that he's not really even producing the heavy-duty freight trucks at this point. So there are some uncertainties that can be hedged against. It would also signal to the near-zero market, the public, and the air districts that ARB is
serious about near-zero technology.

    Again, we think it's cost effective and by maybe
allocating a little bit from the excess administrative pot
towards this category, the plan can be improved
significantly.

    Thank you.

MR. SCHUCHARD: Good afternoon, Chair Nichols,
members of the Board. Ryan Schuchard with CALSTART. We
support the plan. We recognize staff for undergoing an
extraordinary effort public review process throughout the
state. A few things we like about the plan.

    First, it sets a conservative NOx threshold
attainment target, and then seeks to do transformative
investments after that. We think it's a great idea. We
like that it focuses on ZEVs and has the single largest
appropriation for zero-emission buses. That's also a
great idea.

    We also like that it generally uses a first-come
first-served approach when possible. We think that's an
efficient way to use the funds and is a good way to
distribute it most widely. And the only thing we're
concerned with is that the scrap-and-replace requirement,
which we realize is just an operating constraint could
create an idea with folks outside of this room and who
study this issue carefully that we have additional
fungible funding that can support other programs.

And this funding will be restricted in its uses
in terms of the use case for fleets. So we just hope that
we are collectively able to make that clear to legislators
and others that this funding is not just completely
fungible.

Thanks very much.

DR. WALL:

MS. WAHL: Good afternoon, Chair Nichols and
members of the Board. I am Francesca Wahl here on behalf
of Tesla to express our support for the proposed plan.
And we'd also like to thank staff for their leadership on
this issue and working with stakeholders collaboratively.
As we expressed in our written comments, we're very
pleased with the guiding principles that were outlined by
staff, including the focus on zero emission wherever
feasible, and as well as looking at transforming the
heavy-duty sector statewide.

Specifically, we also support the $90 million
allocation to zero-emission class 8 freight and port
drayage trucks, given the expected NOx reduction benefits
as were detailed within the plan.

And within our comments, we provide some
additional details that I'll spare you in talking about
now. But I would say on the light-duty side, we do see an
opportunity for additional potential funding, if there are unspent funds, and the plan is on track to meet the NOx reduction targets.

So thank you for having us be able to express support for this issue, and we'll work on the implementation phase as well.

CHAIR NICHOLS: Thank you.

MR. TEPKE: Good afternoon. I'm Glen Tepke with Metropolitan Transportation Commission, the transportation planning and funding agency for the Bay Area. MTC has been working together with the Bay Area Air Quality Management District to develop policies and identify funding options for accelerating the transition of the public transit fleet in the Bay Area to zero-emission vehicles.

So we are very appreciative of the -- of the fact that the proposed plan would allocate a large portion of the funds to zero-emission buses. And we are supportive of that proposal.

We have submitted a joint comment letter with the air district and Ms. Schkolnick from the air district who spoke earlier covered most of the comments that we made. So I won't repeat that.

I just want to kind of confirm the answer that you got from your staff on the question of first-come
first-served basis versus competitive procurements. For a
current agency, first-come first-served is
generally going to work better, not only because it better
aligns with the timing of the bus procurements, as Mr.
Christensen said, but also because it provides a greater
degree of certainty of the funding earlier in the process.

And if you're a public transit agency trying to
decide whether to take the plunge and spend extra on
buying zero-emission buses, having that certainty of
funding up front can be critical.

I also just wanted to reiterate the point made by
a couple of earlier speakers that the limit of 50 percent
of the bus funding for any particular category of buses
could have the unintended consequence of limiting the NOx
emission benefits from that. Also, because transit buses
tend to be concentrated in low-income and disadvantaged
communities, that limit could also have the unintended
consequence of reducing the benefits to those communities.

Thank you for your time and for the proposal.

MS. PHILLIPS: Hi. Kathryn Phillips with Sierra
Club California. I just want to underscore a few things
that have been said by your staff. And one of those is
that this is a balanced plan. I think that's important to
remember. It takes a lot of things into account and
balances it out very neatly.
It's also smart. It uses what is unexpected money, or at least it was unexpected until a couple of years ago, to accelerate a technology that's essential to get to our clean air and climate pollution reduction goals. It includes -- I want to point out it includes 130 million for electric buses, zero-emission buses of various sorts. This is an indirect investment in reducing or accelerating the -- and improving the technology for zero-emission trucks.

The technology that's being developed in these buses and tested in these buses is, even now, being adapted to trucks. There is other incentive money out there for methane-powered vehicles, and that's important to remember. As some people come up here asking for more and more of this money to go into methane, it's really important to remember there are other sources.

Finally, California -- I represent about 180,000 members in the state. Californians want and deserve clean air, and they want to block the worst effects of climate change. We can only do that if we quickly transition to zero-emission transportation.

We need to make sure that bus and truck tailpipe and stack emissions slip into the rear-view mirror.

Thank you.

MR. CAMPBELL: Good evening. Todd Campbell
representing the California Natural Gas Vehicle Coalition, the place of Thomas Lawson. Thank you so much for the time today.

I wanted to say that it's actually quite the reverse. If Californians want clean air now, they would actually pursue the most cost-effective technology right now with every single dollar that you have.

Both the San Joaquin Valley and the South Coast Air Quality Management District are struggling in extreme nonattainment status. They have five years to get to attainment, five years. That's tomorrow. Okay.

And the Volkswagen funds are specifically mitigation funds designed to reduce the effects of NOx emissions. Now, I get there's a State goal to drive to zero, and I'm not debating that.

What I'm debating about is the balance of this plan. This plan is not balanced. You can have both. Tim is right, you can have the cake and eat it too. You can help districts, which by the way have no control over mobile sources. They rely upon you, the Air Resources Board, to help them out. They have to get creative to get at mobile sources.

That's why we have Indirect Source Rules down at the South Coast. And thank God we got two of five. We are struggling, ladies and gentlemen, to get to
attainment. And there are real consequences if we don't.

So what I think the proposal here is make sure you get the 10,000 tons. The LA Times article on Sunday, which I'm happy to give to any Board member, gives me strong concern. It's one manufacturer. But I will tell you, the heavy-duty sector has a long way to go to adopt zero-emission technology. And we know this, because of our experience in the light-duty sector.

And the number one source of pollution is heavy-duty trucks. Now, we have an administrative reserve that's $63 million, and staff has admitted we probably won't spend all of that.

So maybe we should take a look at some of those fundings and increase it to $90 million, so that we make sure we lock in the 10,000 tons that we need. Help the districts out. Help breathers out. I'm actually quite surprised by the environmental community's position on this, because when I was in the environmental community, we wanted to make sure that it was about public health. And you can do both. Set aside $323 million for zero-emission technology and give $100 million so that people could breathe today. And that's what people want.

Thank you.

MR. CHAVEZ: Nicholas Chavez on behalf of the California Association of School Transportation Officials
and the School Transportation Coalition.

We appreciate the inclusion of school buses in the plan. As stated in the plan, the need for 4500 school buses that are going to need a replacement. This plan gives school districts the opportunity to replace their old school buses with zero-mission vehicles, and allow the students to breathe clean air.

Reducing the pollution children are exposed to inside and outside of the bus, this plan will do that. Every school bus takes over 30 cars off the roads and gets the vehicle miles traveled by their student -- by their parents gets those off the road as well.

And additionally, we also appreciate the changes that were made to help school districts or help the three industries competing for the 130 million in the zero-emission transit school, and shuttle bus project by capping that at 50 for every industry. It's -- it will really help us in being competitive.

And we just look forward to working with staff and the Board, and the implementation process. And in closing, we really would like to thank the Board and staff in their commitment and support for replacing school buses throughout the State.

Thank you so much.

MR. BEEBE: I'm last.
CHAIR NICHOLS: I know.

(Laughter.)

MR. BEEBE: Hi. I'm Bud Beebe.

CHAIR NICHOLS: How did you get this honor?

MR. BEEBE: I'm the -- a senior advisor to the California Hydrogen Business Council. That isn't on there. I know it's a long name, and it's probably representative really, because it's so long, because we have really a broad coalition of people who support the vision of zero-emission vehicles, not just in California, but all over the world.

California Hydrogen Business Council is a broad coalition. It's got people that do big projects. We do small projects. We do fuel cell projects. We do refueling projects. We have component suppliers from all over the world, and especially here in California. So we really are -- I guess, we need a little bigger space. It should to be the California Hydrogen Business Council.

So since your staff is so good technically, and since your process is so open, we have appreciated the opportunity to work with them and with this opportunity to incentivize zero-emission vehicles, as we go forward. And thank you for this process.

It's been good, except hydrogen in California and the fuel cell process really hasn't gotten much of this
money. And so our really thorn in our saddle is that while we have been included in the discussions, we haven't been included in the money. So we really appreciate you looking at our March 2nd letter to the Board, in which we include eight items that we'd specifically like the staff and the Board to consider, as they go forward with this specific proposal.

And really the issue here in this specific proceeding is that the big NOx emissions come from the heavy-duty sector. And the heavy-duty sector in transportation is one place where hydrogen fuel cell vehicles can really excel. You can have large vehicles powered by fuel cells that can go long distances, or you can have small vehicles that go long distances with a fuel cell vehicle. So it's a space where we really belong.

I'd like to mention just a couple of the eight items that we have in our letter. One of them is that we fully support your direction of one-third of the mitigation trust funds towards public transit. This is a place that can really help our disadvantaged communities, and fuel cell buses have been demonstrated in California for over a decade.

Thank you for your consideration of that.

Also, we would hope that you'd direct additional funding to refueling infrastructure. And we would urge...
that -- I know, $10 million seems like sort of a tail on this large amount of money. But giving half of it to battery-electric vehicles that already have over 200 million from the appendix C funding, and that have socializable funding from electric utility vehicles seems like you could put that 10 million just to electric -- or to hydrogen vehicles.

We'd really appreciate it.

Thank you so much for your consideration.

CHAIR NICHOLS: Thank you. I believe that concludes the list of witnesses. So at this point, we can close the record on this agenda item, and we have a resolution in front of us.

There's no other regulatory implications to this, so we can just vote. But before doing that, I think it's probably a good idea to make sure that everybody who has additional ideas or wants to comment can do that. And I know that Ms. Mitchell wanted to bring up one item.

BOARD MEMBER MITCHELL: I do. Thank you, Madam Chair, and thank you, staff, for your hard work on these proposals. What I want to mention first is the balance in the plan, because it's heavily tilted toward the zero-emission programs that we have. And I've been a strong advocate and proponent of zero emission, as you all know.
However, I want to mention that my district, San Joaquin Valley, and some other places in the State are right now very much in need of NOx reductions. And the near zero category that we have here is allocated $60 million out of $423 million. Some of that is the administrative cost, but 300 million is clearly allocated to zero emission. And I think that with this strong need in our nonattainment areas to reach federal attainment by 2023 and 2031, that it would be a good idea at this time to maybe shift some of this money, as has been suggested by some of our speakers, to the near zero-emission category.

I know in the South Coast, our ultimate goal is zero emission. We have participated in a number of pilot programs to get to zero emission on heavy-duty freight. But I would say that we have also considered that this near-zero heavy-duty drayage truck program is an interim step and much needed now.

And we note from what we have seen here that we can get far more dramatic NOx reductions from near-zero, and we can get them immediately, rather than waiting three to five years until the zero-emission categories are fully developed.

So I would propose that we could take $30 million from one of the other categories. And I'm going to
suggest that it could come from the zero-emission transit school and shuttle bus program, which is allocated 130 million, and switch that money over to the near-zero category.

The near-zero category is much more cost effective than say electric buses and electric school buses, both because of the higher price of the electric school buses, and because of the lower annual mileage that you will find in school buses. The freight traffic, the freight drayage trucks, they're running far higher miles than you would find with the school buses, which are transporting kids sporadically.

And I think 100 million is still a very nice sum to leave in that category. And I recognize that our school children are a vulnerable population, and we need to protect them. So I don't want to short change that program. I think 100 million left in that program would be sufficient.

CHAIR NICHOLS: Okay. I'm sorry. Go ahead.

It's -- really, you're making a proposed amendment to the --

BOARD MEMBER MITCHELL: I'm making a proposed amendment that we shift $30 million out of the 130 million allocated to -- in the first category to the near-zero freight trucks and marine. That would bring that up to 90
CHAIR NICHOLS: Okay.

BOARD MEMBER GIOIA: Madam Chair.

CHAIR NICHOLS: I mostly just want to put all these ideas out on the table --

BOARD MEMBER MITCHELL: Okay.

CHAIR NICHOLS: -- so we can take a look at what there is, and then decide, you know, how we're going to do this procedurally.

Ron Roberts, and then Phil, and then Diane.

BOARD MEMBER ROBERTS: Okay. I have two concerns. And the first of those I'm in agreement with the previous comments. I don't know about the 30 million. I'm not sure where that number came from.

I think, you know, this is a program that started because we had a company that was cheating on NOx. And I think right across the state, and I know in San Diego, that's a major concern.

And the question -- I think, you know, we've got this little scale here. And it's supposedly in balance, and I'm not feeling that it is. There really -- it seems to me the focus of this should be how can we reduce NOx. And we've gotten away from that, because we're counting on being technology driven, we're going to change the technology. And my guess is that an extra $50 million
here or there, I can calculate what the results would be
if I spent that on near-zero. I can't calculate what the
impact might be on technology-driven, because it's -- we
don't know. We don't know what effect that's going to
have.

And the larger vehicles right now from a
performance standpoint, I'm not convinced they're ready
for prime time. And, I mean, that with trucks and buses
and everything else. So, you know what -- you showed a
clever little cartoon that says everything is in balance,
and I'm not -- I'm not in agreement with the assumptions
that went into that cartoon.

I'd like to see more emphasis on reducing NOX.
And I think every part of this state is probably in need
of that. I know for our air district, absolutely certain.
And I know the difference, and the difference in the
cost -- we're contracting now for buses. We're going to
pay two to three times as much per bus. And you look at
the all the numbers that go into this, it's probably going
to be around a million dollars for electric bus. I'm not
talking about the stripped down bus.

I mean, we want -- if we take buses -- a complete
bus with all of the stuff that goes into a bus and the tax
that the State charges us -- some of you might be
surprised, but California on public transit, probably
school districts too, charges us tax for those buses that we buy.

So the more expensive the bus, the more -- you know, you're paying a premium. I mean, none of this makes any sense to me, but it's -- to somebody, it must make a great deal of sense.

I'd like to see us shift this model significantly, so that we have a higher proportion of money going into near-zero versus the stimulation of the development of the zero -- we're going to get there, but we're not going to get there in the really near term, where we could be getting the benefits in a significant way from these dollars.

The other thing I'm concerned about is just proportionate share. I kind of heard that I think from L.A. and other places. I mean, this is something that occurred all over the state. And at the end of the day, we've got these five buckets of money, but they should be somehow proportionately spread out all over the state, so we don't have areas where those cars have been operating, and they've been adding to the NOx. And yet, we're not going to get funds to those areas proportionate to what was done there.

Now, whether you do that on population or if you there's some other model, I don't care what it is, but at
the end of the day, there should be accountability, because we're all -- the fact that we got this money was based on what was happening all over the state. There should be recognition within those areas we can have one-third disadvantaged communities. No question about that.

But it seems to me we've started by dividing things up. We've started with assumptions about driving technology, and we've lost sight of what we should be doing. We ought to be doing the most effective manner of reducing NOx. That's why we got this money.

And I think we've -- I think we've lost sight of that in a way that it's not measurable. You know, we're suggesting that an extra, it says 50 or 100 million dollars put into zero-emission versus near-zero is going to give us -- somehow that's going to drive the technology quick enough to get us benefits that are going to exceed what we would get. The lifetime of these buses for instance is not that -- it's not that long.

You know, by the end of the life of -- if we bought buses next year, I will guarantee you in the life expectancy of that bus, you'll get more NOx reductions if we went to zero-emission than if we change some of the funding in zero emission versus making such a large change funding in a near-zero from zero. So these are my two
concerns.

CHAIR NICHOLS: Okay. Supervisor Serna.

BOARD MEMBER SERNA: Thank you, Chair.

So I know there's probably a number of my colleagues that want to chime in, so I'm going to be as brief as I can here, and cover a number of points. First, I want to thank Alan Abbs with CAPCOA for the commitment that he stressed about the oversight on administration. I had some questions as the representative for the five air districts that aren't part of the three that are going to be subject-specific administrators, of what's being proposed. And I certainly had some questions about that is -- it seems like a very unique situation. So I'm glad to hear that the head of CAPCOA is underscoring that. It's important at least for this member.

I also -- I don't see or hear, but we had a representative from the Greater Sacramento Economic Council, I think, rightfully remind this Board that anytime we have an opportunity like this in front of us it's important not to lose site of the fact that there is economic development angle to this that I think is not trivial. And so I wanted to thank Abigail Jackson for making that point.

In terms of the substance of the proposal, I've heard from two colleagues already about the prospect of
shifting some of the funding around. And I think the point that Supervisor Roberts just made about the -- you know, the underlying rationale for why we are here and the need for perhaps more robust NOx reduction is one that resonates with me. So I'm looking for to some other contributions, more discussion from my colleagues on that front. I'm not necessarily convinced that it should come from the category that was mentioned earlier, the 130 million, in large part for zero-emission buses -- school buses.

And then finally, when staff stressed what the guiding principles are that really shaped this proposal, there is -- I don't want to say it's passing mention, but there is a mention at the top of that slide that we are going to ensure that at least 35 percent of the funds are going to benefit disadvantaged low-income communities. What I didn't hear too much about, and I'd like to hear perhaps a little more, is how are we going to do that, and what is the check back with this Board to monitor mid-stream progress. To me, that is such an important part. It's all important, but that is an especially important point for me, and I'd like to understand it a little bit better than what has been communicated today and in my briefings.

CHAIR NICHOLS: Thank you.
Ms. Takvorian.

BOARD MEMBER GIOIA: Okay.

CHAIR NICHOLS: I'm sorry. I -- you can work it yourselves.

Okay.

BOARD MEMBER GIOIA: All right. First, I appreciate all of the hard work that's gone into this. I actually think this program, as it is, has reached a fair balance. And I think there's been this discussion, and I appreciate there's different opinions and priorities around the state about how to invest these dollars. I think it does come down to a question, and maybe we interpret it differently, what does it mean to most effectively reduce NOx emissions?

I think we're better off taking a little longer to get greater NOx reductions by zero emissions. If you think about it, you're saying well, let's get the NOx reduction as quickly as possible. You're going to get greater NOx reductions by waiting and implementing in a little bit longer the zero-emission technology, and especially in the transit and school bus category. I'll vote every day for getting zero emissions for school buses and helping, yes, drive the technology, which will work hand in hand with out -- with our -- with our bus rule.

This is exact -- it is true that our investment
in buses is helping drive the technology, that the more bus -- zero-emission buses that are purchased that cost goes down. In fact, already the lifecycle cost of zero emission buses is getting very competitive to the existing buses, if you factor in, right, not just the purchase cost, but the lifecycle cost of maintenance.

I think we can help tip the balance by keeping the investment in that category, and maybe be a little more patient and wait and get greater NOx reductions by zero-emission technology.

So we're not talking that much of a time difference, but we're helping achieve other objectives. We'll get PM reductions, as well, we'll get broader benefit by investing in the zero technology under the balance as laid out in this plan.

CHAIR NICHOLS: All right. You're line. You're in line. Yes, you're next.

BOARD MEMBER TAKVORIAN: Thank you.

So I agree with a lot of what's been said. And I feel -- but I -- so I want to add just the pieces that I don't think we've covered yet. One is, and I really appreciate the staff's presentation, and the fact that we're looking at long-term priorities, and long-term health for the most impacted communities, and for our state overall, and prioritizing significant investments in
those communities as well as the economic drivers that Supervisor Serna mentioned.

I want to say that I -- and I know you said this, but I'll say it again. Environmental justice communities have said over and over and over and over again in every hearing about -- both about this topic, but about every other topic related to reducing emissions that they want zero emissions. So this is our huge opportunity to move that ball, and we have to take it.

So I feel strongly that this is -- we talk about balance, but we're off balance. Disadvantaged communities and impacted communities are very impacted. And so balance isn't ensuring that everybody is getting the same thing now, because we haven't been getting the same thing for all of these decades.

So I feel strongly that we shouldn't move dollars out of that category. And I understand the argument about near-term reductions, but I actually have a question about that for staff, and that is it seems to me that given that we don't have the infrastructure for CNG for heavy-duty that there's a time period here that we're going to need to go through.

I understand that we need to develop the infrastructure for zero emission, but we also need to develop the infrastructure for near zero as well. So it's
not like we can put them in tomorrow. So there's a time period for that. And I just wanted to make that point, but want to ask staff about that as well.

So if you wouldn't mind responding to that, but I -- I think it is a good plan, and a plan that helps us to achieve more balance, but we're not there yet.

So thanks.

CHAIR NICHOLS: Does staff want to respond on that particular point?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

Yeah, we certainly -- I can respond to that a little bit. Certainly, there is -- certainly there is an infrastructure associated with both. I will say in -- not just infrastructure, but also with natural gas. What we're also trying to do is build in-state production of renewable natural gas. And that's something that's in the building process as well.

And so there is a time associated with that. I will say in fairness the natural gas is a little easier to wrap our heads around in terms of building that out than it is on the electric case. But there is some of that as we grow in both categories, yes.

BOARD MEMBER TAKVORIAN: I'm sorry, I had one other question. The other is that it seems like it's also a long time frame that if we take -- if we don't invest in
zero emission now, if we're -- if we continue to invest
in near zero, that when we purchase these vehicles, we're
looking at 10, 15, 20 years before those change out. So I
just wanted us all to keep that in mind too, that this
isn't something that's going to -- that we can do for five
years, and then we can change to zero when that becomes
more available on the market.

Thank you.

CHAIR NICHOLS: Maybe I can piggyback on that by
asking what might be -- have been one of your questions,
which is, you know, we're looking at this fund of money as
a discrete fund, which we have to do. We have to make
decisions. But it doesn't exist in a vacuum. The Air
Resources Board is spending a lot of money in the area of
vehicle transformation.

So maybe we can ask staff to tell us where this
plan fits within the context of funds that are already
being spent to advance low NOx as a near zero as opposed
to zero.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

Certainly I can share a little light again. This
is Jack Kitowski again.

That was part of the point of the -- that sort of
balance slide was to demonstrate that we have a variety of
different funding sources. We have a portfolio. No one
funding source does it all. We shouldn't expect any one
cfunding source to do everything, considering the
tremendous challenges we have. And certainly there's not
effective enough money for everything.

    But in response to your specific question about
what funding is available, when you look at some of the
funding sources like the Carl Moyer Program, the AQIP
Program, those are funding sources that are focused on
near-term reductions maximizing the amount of near-term
reductions. And some of that is low NOx, some of that is
cleaner diesel than what they're replacing.

    But we're spending -- we spent about $300 million
last year on focusing on near-source reductions. That
would be both, you know, diesel and low NOx natural gas.

    We would expect to spend about that same amount
next year when you tally it all up. And about 100 million
of that is on low NOx natural gas.

    CHAIR NICHOLS: So that's without counting the
money that we're talking about here? That's not the
Volkswagen money.

    MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
Without Volkswagen. That's on that --

    CHAIR NICHOLS: Okay.

    MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
-- on that balance -- on that -- there's about
300 million focused on the near-source funding pots on that one side there. And of that 300 million with the various funding sources, I think about a hundred million was low NOx natural gas.

CHAIR NICHOLS: Which is not to minimize the need for NOx reductions. It's just -- I'm -- we're just talking about the balance so to speak.

Yes, moving down the line this way?

BOARD MEMBER BALMES: Chair, Nichols can I just answer -- can I just --

BOARD MEMBER MITCHELL: Can I ask a question along those lines?

CHAIR NICHOLS: Yeah, go right ahead. Sure.

BOARD MEMBER MITCHELL: But can those funds, like AB 923 funds, they could also be used for zero-emission school buses, right? They could be used for zero-emission vehicles as well.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

Yeah. What we've found and the way -- part of the reason why we structured this -- and this discussion is really good. It validates why -- you know, us struggling for seven months trying to come up with a proposal. This is not easy.

What we've found is the focus on the nearer term reductions is a lot easier at -- at the more local level,
accompanying orders, five of these, or 10 of those. And what we're trying to do on the zero-emission is really get market transformation. And that ends up coming a little easier or easier at the statewide level, which is why we've tried to focus some of the low-carbon transportation and some of these funds on the zero-emission, because that market transformation needs those larger signals.

CHAIR NICHOLS: I'm going to go down to this end here to -- which is you, Dr. Sperling -- no, Dr. Sperling. Sorry. He is the end at the moment.

BOARD MEMBER SPERLING: I'm the end. The left-wing end.

CHAIR NICHOLS: The left-wing right.

BOARD MEMBER BALMES: Hardly.

(Laughter.)

BOARD MEMBER SPERLING: Depending on -- depending on how you look at, your perspective. So, you know, this is a fascinating conversation here. And I sit here and, okay, I'm a researcher. I thought, okay, is there some way to come up with a formula, because, you know, look at the breakdown, you say, okay, it does seem like there's a lot of arbitrariness to it. There's an underlying philosophy that, you know, as we just heard that we want to accelerate market transformation. But, you know, there are ways to estimate how soon we're going to see
electrification based upon volume, and learning, and scale, and to, you know, look at the costs. And we could bring that back and look at cost effectiveness. And, of course, with the short term it's much easier to do that. But at the end of the -- so I did sit down here, try to craft what would this formula look like, and I have to say I've never seen anyone try to do this kind of calculation, because there's so much uncertainty in it. So at the end of the day, yes, the staff proposal has certain amount of subjectivity to it. Yes, it's premised on a certain philosophy or kind of, you know, goal. So at the end of the day, I'm fine with the proposal, because --

(Laughter.)

BOARD MEMBER SPERLING: -- it's impossible -- it's impossible --

CHAIR NICHOLS: You don't -- you don't have an algorithm for us?

BOARD MEMBER SPERLING: I was working on that algorithm. And I concluded after much strain on my brain that it's not possible to do. So, I mean, at the end of the day, there is arbitrariness to it. And, you know, we can argue about it at the margin, but no argument is going to be definitively more correct or -- than any other, so --
CHAIR NICHOLS: Okay. Thank you.

BOARD MEMBER SPERLING: I'm okay with it.

CHAIR NICHOLS: That's great.

Dr. Sherriffs.

BOARD MEMBER GIOIA: Even academia doesn't have an answer for everything, right?

(Laughter.)

BOARD MEMBER SHERRIFFS: I was afraid to speak after Dr. Sperling, but now it's okay, I can say it.

(Laughter.)

BOARD MEMBER SPERLING: I created lots of space there for you.

BOARD MEMBER SHERRIFFS: Thank you. Thank you for that.

Well, a couple of things. I think actually from San Joaquin's viewpoint, this is a -- this is a pretty well balanced plan. And thank you for boldly going where nobody dare goes and --

(Laughter.)

BOARD MEMBER SHERRIFFS: -- making a commitment where no commitment can be made. But, you know, having said that, thank you, Ms. Mitchell, for reminding us all.

As far as South Coast and San Joaquin Valley are concerned, there is no such thing as an excess NOx emission decrease. We will take anything that you are
willing to give us, absolutely.

But that said, you know, I look at the -- I don't know what category to take it from. And I look at zero emission transit. I look at schools. I look at shuttle buses. And although, they may not be the most cost effective, well, they are very appealing, because they are a driver of technology in many ways. There's a lot of spill-over.

We are talking about the most vulnerable populations. We're talking about kids and very important direct health effects. And the third thing is those are very visible places to spend the money. The public sees that, and I spoke at the last meeting about branding. And, yes, it's wonderful when you see these vehicles, you know, clean air. And that's -- that's another important benefit of that, because it educates the public, helps the public understand that the money is being used, in fact, to promote health.

So there are great deal of benefits in that category. So I don't know where you're going to get us the excess NOx reductions. We'll gratefuly take them, but thank you, staff.

CHAIR NICHOLS: I do want to just underscore the fact, I know, it's -- it was put out at the very beginning, but there was a number that this plan had to
hit. I mean, we cannot submit a plan that doesn't visibly and demonstrably achieve the tons that we have said are what we suffered as a result of the Volkswagen scandal. I just -- yes, of course, we need more, but it's not like we're just weighing that as one factor. There is a bottom line here, and then everything else has to be weighed on top of that, if you will.

BOARD MEMBER BALMES: Chair?
CHAIR NICHOLS: Any other comments here?
Oh, sorry. Dr. Balmes.
BOARD MEMBER BALMES: Well, a couple things. As the public health representative on the Board, I just came back from San Diego, from the American Thoracic Society, the professional meeting for pulmonary and critical care physicians, scientists. And there was an interesting study that came out of -- presented at that meeting, that came out of a previously CARB-funded project, the Children's Health Study in Southern California.
And they've shown over time in this study -- former doctoral student of mine, by the way --
(Laughter.)
BOARD MEMBER BALMES: -- that they've a reduced prevalence of asthma in three different communities in Southern California. I can't remember which ones off the top of me my head. But those in the Southern California
Children's Health Study over time related to NOx levels. There was a decrease prevalence of asthma. And so, I'm pretty interested in seeing reduction of NOx emissions sooner than later. I don't support Ms. Mitchell's proposal to take the 30 million from zero-emission transit. But I would ask staff, because I am concerned about disadvantaged communities, with regard to their asthma burden and the exposure to NOx. When we talk about the other sources of funding for near-zero-emission vehicles, how much of that is going into disadvantaged -- you know, communities or protection of disadvantaged communities, because I realize that heavy-duty vehicles go in and out of these communities. But I'm a little concerned that the zero-emission vehicles that we all want to have, and I'm totally for the major goal that Dr. Sperling says. You know, he's comfortable with this plan getting to. I'm a little concerned that that zero -- those zero-emission vehicles aren't going to really benefit the disadvantaged communities in the near term. So I'm -- I'm just trying to weigh the long-term goal of zero-emission vehicles, which I think everybody support here versus the short-term NOx impacts. So it's not just that the technology is going to take a while.
And I appreciate that natural gas infrastructure also needs, you know, time to implementation. But the staff has acknowledged it's probably shorter than the infrastructure for zero-emission vehicles.

And I'm concerned that we won't get -- even though I agree with Mr. Tavorkian that -- Takvorian that every environmental justice group I talk to always wants zero emission vehicles. But I'm concerned that we're actually not going to be protecting them in the short-term, while we wait for this.

CHAIR NICHOLS: So what's the question?

BOARD MEMBER BALMES: The question is from staff how do we know either whether our current funding sources, which were just outlined for near -- near zero-emission vehicles, or the zero-emission vehicle technology that we are proposing here, how do we know how much of that is going to get to disadvantaged communities. I realize we say we want 35 percent disadvantaged communities, but how do we know we're going to get that.

CHAIR NICHOLS: Okay. Got it.

BOARD MEMBER GIOIA: Take it out of reserves here.

CHAIR NICHOLS: Do you want to try to answer that first and then I'll --

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
Yes.

CHAIR NICHOLS: Go ahead.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

So your questions seems to span both the current proposal and then existing programs. We do track --

BOARD MEMBER Balmes: It did.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

We do track disadvantaged community spending in our funding source. I will say some of them, like the Carl Moyer Program, have a different definition. The CalEnviroScreen definition is probably the most common that this Board is familiar with. And so that's what we use in most of them.

And we're getting disadvantaged community allocation of about 50 percent in our mobile programs today. And we're able to do that, and this will feed into the answer of this existing one. Even though some of them are like voucher -- are voucher programs, we're able to do that. And the structure of the program is providing adders. We have a variety of different tools we use that we would also look at as we're going through the implementation process of this to ensure that we give our best estimate of how those could -- would meet. And we're not shooting for 35 percent. We're committing to 50 percent in this funding.
And the other part of that answer is that all of these categories we're doing in two installments. So we have the moment to sort of reflect on how did it work? How are the allocations? Is one oversubscribed? Are we getting what we wanted in disadvantaged communities and the other factors. And we have the ability to come in and reassess. And we certainly -- the disadvantaged communities is at the top of our list to monitor and adjust for.

BOARD MEMBER BALMES: Thank you. That answered it.

CHAIR NICHOLS: So, Senator Florez.

BOARD MEMBER SERNA: Yeah, but I had a -- I had a twist on that. And that was just again when will this Board have its first opportunity to hear back or see a check in on our progress on that front.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: We've committed to annual updates to the Board.

BOARD MEMBER SERNA: Thank you.

CHAIR NICHOLS: But we could probably get more frequent updates, if we asked for them.

(Laughter.)

EXECUTIVE OFFICER COREY: Certainly can.

(Laughter.)

CHAIR NICHOLS: I bet we could.
CHAIR NICHOLS: Dean, you had your hand up for a while.

BOARD MEMBER FLOREZ: Thank you. Actually, it just leads right to I think what we should and that is we should probably have quarterly updates on what's expended and what isn't. Twenty percent from Mr. Corey, maybe we should make it 80 or something that moves quicker and faster. But it seems to me that the issue really is the -- it's a tough one. I mean, this is not -- this is not an easy deal.

But then again, I think it's really about the vision and one-time money, and what do you do with one-time money? Do you, in essence, put it into the budget, the normal process. But this is -- I think as we began to talk about this way back, and I think it started with buses, as I remember it right, you know, kind of what's the big leap? It's going to be the same concept when get to the ICE. You know, that's going to be the same kind of discussion with are we looking forward, are we looking kind of medium, and how to take advantage of things.

I guess my -- it's tough because if you live in the Central Valley, you want those immediate benefits. It's super tough to walk away from those.

But at the same time, you know, I get Diane is,
you know, looking forward, and what do we do with one-time money. So it leads me to my question, I guess, is how much money is available for natural gas incentives in totality beyond this item, so we can get a full flavor of, you know, what is exactly available to -- can staff tell us. Is this the only dollars available? Are there more? What percentage of this money, even if asked and moved would be, in some, sense you know -- what's available, I guess, is the question?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
Sure. Sure, I can run through some of the more -- the larger funding sources. And I'll start with the low-carbon transportation funding that the Board adopted last year.

BOARD MEMBER FLOREZ: Okay.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
And that had, I think it's, off the top of my head roughly, $180 million, for example, for voucher programs.

BOARD MEMBER FLOREZ: Okay.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
That voucher program is available for both zero emission and for low carbon -- and for low NOx natural gas engines.

In addition, we had some specific money just to
help assist the low NOx as part of that, and we had some previous money that was left over devoted to low-carbon transportation, or devoted to low NOx. So I think that totals about another 14 million specifically only for natural gas.

If you look at the Prop 1B program, which is in its final tranche, that doesn't come to the Board every year. But they're issuing their final set of funding in that program. And that program had about two-thirds of that final -- that final set of funding go towards natural gas engines. Maybe it was three-quarters, somewhere around there. It's about $100 million --

BOARD MEMBER FLOREZ: Okay.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: -- that went to that funding.

BOARD MEMBER FLOREZ: Okay.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: I would also say that Board last month approved 617, the local community funding. That funding goes to the air districts to fund in a broad area. But legislatively, the legislature directed that 40 percent of that funding could go towards Prop 1B like programs. So that's another hundred million dollars.

BOARD MEMBER FLOREZ: But that's a -- that's a could go to. That's not a it will go to, right?
MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
It's the district's choice on whether it goes there or not.

BOARD MEMBER FLOREZ: Okay.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
So the district would have the choice to spend --

BOARD MEMBER FLOREZ: Okay.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
-- that funding.

BOARD MEMBER FLOREZ: So I have 180 million, another hundred, then another hundred. So keep going.

(Laughter.)

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
As far as low NOx natural gas, I think -- I think that's all I can think of off the top of my head.

BOARD MEMBER FLOREZ: Okay. So then --

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
If you want to add some others, there's CEC, and there's M -- you know, local funding and some others.

BOARD MEMBER FLOREZ: Okay. I think maybe the frustration then is -- and the reason I think I hear, and rightfully so, the natural gas folks kind of looking at the more immediate benefits in this pot of dollars is that somehow these dollars that you've just mentioned, over $300 million or so, are really hard to get for -- they're
not as quickly accept -- you know, they're not as quick as these dollars are.

So, you know, I think if there can be some way to make these dollars quicker in this pot, and leave the other pot alone, if these dollars here were quicker, maybe this wouldn't be an item, because it would be plenty in the pot. You'd just, I think, almost double than want the ask is today.

So I'm just wondering what's the disconnect that I'm having? Why are these funds that you've just mentioned --

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

Well, I will say in -- in seven months of outreaching different proposals, every constituent group would like more funding for their particular pot. So I'm not sure how else you'd like -- I could answer that.

BOARD MEMBER FLOREZ: Well, no, I mean, I think the way to answer it, in my mind, is how much benefit in terms of lowering what we're debating right now, which is the dirty air, could be quickly moved forward if we put it and made it more quickly available to this category? So in other words, we're saying these dollars today could be spent, and there's a bigger bang for the buck immediately on air quality.

But these dollars here that you should mention
are actually larger, so why can't we work in tandem, why can't these dollars get out as quickly as the pot that people are arguing for today --

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
Well, I think they can.

BOARD MEMBER FLOREZ:  -- with the same benefit.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
I think I see your point. Let me -- let me try this and see if I'm getting at the point. In many of these, the programs that you're talking -- that we're talking about, Carl Moyer Program, Prop 1B, these are programs where we put out solicitations. And there is -- you know, there's funding that comes in. Fleets need to come in. Fleets need to apply. You have to find interest. What we're seeing right now, and the dynamic that's at this moment is there's a new engine that's available on the low NOx side in 11.9 liter, a little more of the conventional truck size. And that's opening up opportunities that weren't available in the natural gas side before.

So we may start seeing, you know, more of the -- these other projects. We may start seeing more of them in Carl Moyer Program, more in other categories than we are now. But that engine is just now getting on the road.

BOARD MEMBER FLOREZ: Okay. Last question. I'm
sorry to dominate some of this conversation. But could we get an update on that next meeting on what those types of programs look like?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

Like a comprehensive assessment of --

BOARD MEMBER FLOREZ: Yeah, a little more -- I mean, yeah, because I think we're talking about this particular pot, which the argument, I think -- or the proposal on the table was, you know, rather tiny compared to what's available for natural gas. So my worry is, is that I sure like that 50 million that was -- that's on the table. I really like 300 million more. But if 50 million gets to work faster and reduces the air quality issues, then I certainly like that much more than waiting for 300 million to be put to work over a longer period of time, which never achieves what we could have done with 50 million today.

So, you know, if we can get 300 -- of the 300 million, we can get that work to start cleaning the air then I'd feel a little bit better about this being balanced. So that's it. I just hope -- and I think updates would be good. One year is clearly not sufficient to come back to the Board and tell us how we're doing.

I like the fact that Mr. Corey has some discretion in pots that aren't going to be used. But as
the Chair knows, we've offered a lot of clean vehicle
buses to rural districts. And those rural districts move
rather slowly --

CHAIR NICHOLS: Um-hmm.

BOARD MEMBER FLOREZ: -- even though the money is
available. So, you know, I think we'd have to really
figure out how fast that money gets out. If it's not
being used, then I think we ought to use our discretion
and allow our staff to really see where we can move money
quicker and faster. So that's the end of my comments.

CHAIR NICHOLS: Well, that should be sort of an
overlay over this whole issue really is it's pretty clear
that this is complicated. There are a lot of different
pots of money. It's hard for us to even understand,
though much less people out in the communities who are
trying to figure out what could be available.

And so I think your suggestion, which is that we
really need to come up with a communications system that
allows people to see what's there, and what's being spent
would be a very useful project for many reasons, greater
transparency on that issue would give us a better chance
to manage the issue as well.

Mr. Gioia.

BOARD MEMBER GIOIA: Let me understand this
reserve category. How much of the reserve category do you
estimate to be administrative cost?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
At this point, we don't have a firm estimate.

What we know --

BOARD MEMBER GIOIA:  Range.  Range.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
What we do know is that the administrative costs will be higher here than they are typically, because the trustee is asking us to monitor for over 10 years. So we do need to have that consultation with our implementing agencies before we really -- but if you're forcing me to put a range out there I would say --

BOARD MEMBER GIOIA:  Yes.

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:  
-- 30 to 50 million dollars.

BOARD MEMBER GIOIA:  How much?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:  
Thirty to 50 million.

BOARD MEMBER GIOIA:  Thirty to 50, because I was contemplating if there's interest in wanting to at least identify some funding for the immediate NOx reductions, that doesn't impact what I think are the balanced category of funds here is what would you feel most comfortable in taking out of reserve to allocate toward that?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
Yeah. And there would not be -- we'd not have a challenge with say 10 million would leave plenty of cushion.

BOARD MEMBER GIOIA: Not more?

MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
    Well --

BOARD MEMBER GIOIA: Right. Right. Okay. So, I mean --

EXECUTIVE OFFICER COREY: My suggestion on that --

BOARD MEMBER GIOIA: Yes.

EXECUTIVE OFFICER COREY: -- Supervisor, would be because of what we've been asked, which is really going to translate into regular progress reports to this Board on the implementation of overall funding, that would also include where we stand on the reserve. And to Jack's point, 10 million would be comfortable at this point. And then we can do a status report in the future and see where -- have a firmer assessment if there's more to work with.

BOARD MEMBER GIOIA: So if we -- if -- assuming -- obviously, I don't know where we're going to go on this. But if we did keep the other categories as they are with you would not be uncomfortable with 10 million out of reserves for a low NOx -- for the immediate
NOx reductions?

EXECUTIVE OFFICER COREY: That's correct.

BOARD MEMBER GIOIA: Okay.

VICE CHAIR BERG: So, Chair Nichols, maybe this is a good time. We can see how complicated this issue is.

CHAIR NICHOLS: Yes.

VICE CHAIR BERG: And I, too, as all my fellow board members, have been struggling over looking at 14 percent of the plan producing 70 percent of the reductions. Why don't we do a little bit more. But I've really come to the conclusion with all of this comment that staff has, and specifically our Executive Officer has, the needed flexibility. I think I'm hearing very clearly from the Board that there is great interest in increasing our additional reductions from low NOx, and that given the flexibility, and given the fact that you'll come back to us -- did we decide when? Not within -- I mean, sooner than a year.

EXECUTIVE OFFICER COREY: At least twice, and after we get the solicitations out. It wouldn't be quarterly starting today, because in a quarter, there wouldn't -- we wouldn't have anything to report on.

VICE CHAIR BERG: We wouldn't have much to report.

EXECUTIVE OFFICER COREY: But we're in the 2019
quarterly reports my suggestion would be two appearances before the Board and two memos. But we can work that -- those details out. Quarterly status reports.

VICE CHAIR BERG: My sense, Ms. Mitchell, is that, if you're comfortable, that we move the resolution as proposed with staff with the direct understanding that additional funding out of these categories that are not being met will go towards the low NOx up to additional 30 million. So, for example, out of the reserve, if there is additional, that would go to the low NOx first, and getting a report back. That if staff feels that there's any reallocation, that the direction is from the Board that the low NOx takes priority.

CHAIR NICHOLS: Are you -- did you say yes or no?

BOARD MEMBER MITCHELL: I didn't say anything yet.

CHAIR NICHOLS: Oh, okay.

BOARD MEMBER MITCHELL: So one concern is that, you know, the zero-emission programs are, for the most part, going to be long term. So how -- how easy will it be for us to know whether there's going to be additional money?

CHAIR NICHOLS: Can I just say we keep using long term as though we meant it was going to -- the money was going to take longer to put out. I don't think that's
I think the issue here, and it tends to get confused, is that if we think that -- if we believe as the critics -- or let us just say there's rivalry here, you know, that the zero-emission buses are going to take longer to appear than -- you would say that's a longer term program. But the money actually is needed right now for every one of these. They all want the money today. And there are people who could receive the money today.

BOARD MEMBER GIOIA: Right, and spend it.

CHAIR NICHOLS: So the real issue is when does the zero start to take off as being more viable and the costs start to come down because there are more of them. And people are more used to them, and so forth, so that you get the benefit faster than is predicted, depending on what you believe about what's likely to happen.

My experience so far in looking at the light-duty area is that the technologies are emerging faster than anyone thought they were going to. Now, that doesn't mean they're as fast as we want them to, and there will be setbacks as we've seen. There have already been -- there have already been setbacks.

But at the same time, you're really being asked, I believe, by the communities -- and I don't think they're being -- I don't think they're asking for champagne when...
they should be happier with, you know, white wine. I mean, I think what they're -- the issue here is --

(Laughter.)

CHAIR NICHOLS: -- that if it's zero, it's zero.

BOARD MEMBER GIOIA: Right.

CHAIR NICHOLS: And if it's not, it's not. And when you invest in something that gets you a little benefit now, it's a little benefit, and that's good. But it's all you're going to get ever. Whereas if you invest in the zero --

BOARD MEMBER GIOIA: Right.

CHAIR NICHOLS: -- it's really going to be zero. And that's what makes this so hard. Everybody wants the same things, and we just have to try to do our best to decide how we get there as quickly as possible.

So I'm hopeful that we can pass this resolution as is, and monitor carefully what's going on, all of us. And if we see that we're not getting to where we need to go, because there's been a faltering in the technology, or because people didn't come forward with requests for the funding, and just didn't -- they couldn't spend the money, then, by all means, we'd better not leave it languishing. I think we would be in big trouble not only morally, but with our -- with the funding source at that point.

BOARD MEMBER GIOIA: I will move adoption of the
resolution as is, with direction if -- for reg -- for the
regular reports. And if there is an evaluation of use of
reserve funds to evaluate that, and take that back to the
Board.

BOARD MEMBER TAKVORIAN: So I would second that,
but I would like to add in Senator Florez's idea that we
have the report back on all of the dollars that are being
spent, so we have a comprehensive view of it, because
my -- yes, that's it. Stop.

CHAIR NICHOLS: Okay. So we now have a motion
and second in front of us.

Do people want to do a voice vote on this one or
do you want to do it, you know --

BOARD MEMBER MITCHELL: Roll Call.
CHAIR NICHOLS: Roll call?
BOARD MEMBER MITCHELL: Yes.
We'll have a roll call then.

Madam Clerk, would you please call the roll.
BOARD CLERK McREYNOLDS: Dr. Balmes?
BOARD MEMBER BALMES: Aye.
BOARD CLERK McREYNOLDS: Mr. De La Torre?
BOARD MEMBER DE LA TORRE: Aye.
BOARD CLERK McREYNOLDS: Mr. Eisenhut?
BOARD MEMBER EISENHUT: Aye.
BOARD CLERK McREYNOLDS: Senator Florez?
BOARD MEMBER FLOREZ: Aye.
BOARD CLERK McREYNOLDS: Supervisor Gioia?
BOARD MEMBER GIOIA: Aye.
BOARD CLERK McREYNOLDS: Ms. Mitchell?
BOARD MEMBER MITCHELL: No.
BOARD CLERK McREYNOLDS: Mrs. Riordan?
BOARD MEMBER RIORDAN: Aye.
BOARD CLERK McREYNOLDS: Supervisor Roberts?
BOARD MEMBER ROBERTS: No.
BOARD CLERK McREYNOLDS: Supervisor Serna?
BOARD MEMBER SERNA: Aye.
BOARD CLERK McREYNOLDS: Dr. Sherriffs?
BOARD MEMBER SHERRIFFS: Yes.
BOARD CLERK McREYNOLDS: Professor Sperling?
BOARD MEMBER SPERLING: Aye.
BOARD CLERK McREYNOLDS: Ms. Takvorian?
BOARD MEMBER TAKVORIAN: Aye.
BOARD CLERK McREYNOLDS: Vice Chair Berg?
VICE CHAIR BERG: Aye.
BOARD CLERK McREYNOLDS: Chair Nichols?
CHAIR NICHOLS: Aye.
The motion passes. 12 to 2.
CHAIR NICHOLS: Okay. Well, good discussion.
I'm proud of all of us. And I want to thank everybody for their participation, both those who appeared to speak and
the Board members themselves. There's a very high level of interest here, and hopefully we can keep after it.

    All right. We do have a public comment period with two people who have signed up to speak in the open public comment on any topic they care to speak on.

    They both want to talk about the Clean Vehicle Rebate Program. And in the order that I received them, they were Divya Sundar and Angie Wei.

    MS. SUNDAR: Hi, Chairperson Nichols and Board members.

    CHAIR NICHOLS: All right.

    MS. SUNDAR: My name is Divya Sundar. And I'm here on behalf of the United Auto Workers to speak about the fair and responsible certification procedures for the Clean Vehicle Rebate Project. As you know, last session, the legislature passed AB 134, which among other things required that manufacturers be certified as fair and responsible in the treatment of their workers for their vehicles to be eligible for the CVRP consumer rebate. The legislation directed labor agency and CARB to develop the procedures for certifying manufacturers as fair and responsible.

    This week, the agencies released a concept paper detailing potential procedures for the fair and responsible certification.
The UAW would like to recognize the importance of the CVRP program and congratulate CARB on developing a policy concept that we see as both enforceable and practical.

ZEVs, I don't need to tell anyone in this room, represent the future of the automotive industry. Incentive programs like CVRP have proven essential to increasing ZEV adoption and making such vehicles price competitive with gasoline cars.

The UAW is excited about where the industry is heading, and by recent announcements by volume automakers to -- that they will be increasing their ZEV offerings. We support incentive programs like CVRP that encourage consumers, and by extension the industry, to embrace clean vehi -- clean technologies.

Indeed, many of our members around the country are engaged in building electric and plug-in vehicles. A fair and responsible standard ensures that the EV industry, which is still in its infancy, facilitates what advocates call a just transition from fossil fuels to clean energy.

Auto manufacturing helped to form the historical backbone of the American middle class. However, auto manufacturing jobs, like all front-line manufacturing jobs, have deteriorated in quality in the past several
decades for a number of reasons.

A strong fair and responsible policy could help raise the floor and reverse this decline in job quality, all while helping to grow the elec -- the auto industry in new cleaner directions while also decreasing our reliance on fossil fuels.

So we want to thank CARB for all the work you've put into for developing this policy concept. We're overall very encouraged by the draft procedures that were put out, and believe that they're a step in the right direction. However, we do think that there are places where the policy could be strengthened to better protect and empower workers, and we'll be submitting comments with our suggestions to that end.

Thank you very much, and we look forward to seeing where this goes.

CHAIR NICHOLS: Thank you.

MS. WEI: Thank you very much Madam Chair and members. My name is Angie Wei and I'm here on behalf of the California Labor Federation. I know all of your day has been long, so I'll be very brief.

We very much support the draft concept paper that's been released, as my colleague from the United Auto Workers has referenced.

Excuse me.
We want to say thank you very much to the staff at the Air Resources Board. We know this was not an easy directive. And you put in the work, the hard work, to put pen to paper to develop a concept paper that we think both raises standards for working people in the electric vehicle industry, while not slowing these cars coming to market, both goals that we support.

As all of you know, the American auto manufacturing industry was responsible to create good middle class jobs for hundreds of thousands of American workers for decades. And as we make this transition to clean vehicles and electric vehicles, we want to make sure as much as we can that we continue to uplift that middle class standard.

And as we make this transition, that we're creating not just cleaner air, but good jobs for working people in California. And this proposal doesn't get us those good jobs quite just yet, but it puts us on a path to make sure that labor standards and workers rights and basic health and safety protections are not threatened in this new market place, and sends frankly a signal to the world that cleaner air, a greener economy, and good jobs for working people can be goals that will be simultaneously achieved.

So again, we want to thank the work of the staff
at the ARB, and we continue to work -- look forward to working with the Board on making this a reality.

Thank you very much.

CHAIR NICHOLS: Thank you. Thank you for coming to talk to us. We really appreciate it. This is a new venture for ARB. And we're learning, but it seems as though it's -- we're coming up fast, so thanks a lot.

BOARD MEMBER SERNA: Chair Nichols?

BOARD MEMBER DE LA TORRE: Chair?

CHAIR NICHOLS: Yes.

BOARD MEMBER DE LA TORRE: I just wanted to thank staff as well for doing that work.

CHAIR NICHOLS: Please.

BOARD MEMBER DE LA TORRE: I know it was very, very tough. It's something that I'm going to be watching closely, because I -- I agree. If we're going to be making this shift --

CHAIR NICHOLS: Um-hmm.

BOARD MEMBER DE LA TORRE: -- it's got to be a shift that really works for the people who are doing --

CHAIR NICHOLS: Right.

BOARD MEMBER DE LA TORRE: -- the technologies we're talking about.

Thank you.

CHAIR NICHOLS: Not just about tail pipes.
BOARD MEMBER SERNA: Chair Nichols?

CHAIR NICHOLS: And Mr. Serna, you wanted to comment?

BOARD MEMBER SERNA: Thank you. I, too, wanted to certainly thank the speakers for being patient, and bringing up a very important point, one that I think I made mention of earlier on a different subject when we heard about kind of the economic development angle on what was being proposed just about an hour and a half ago I guess it was, that we can't lose site of the fact that there are just a number of intersections with, in this case, fair labor practices, in terms of our policies that -- and rulemaking that goes on in these chambers by this Board.

And I suspect that it's just going to get more -- the network and the intersections between fair labor, economic development, it goes hand in hand with protecting our air, reducing carbon emissions is just going to become more and more present. And so to have staff keep that at the forefront of what they're doing, in addition to all the science, in addition to all the policy analysis, I think speaks volumes to what, not only staff, but the entirety of our agency really values.

And so I want to thank again everyone that's working so hard on that front. But as the speakers I
think rightfully point out, there's still work to be done. And again, I want to thank staff for hopefully internalizing that, taking it very seriously, as they do move forward to really craft something special.

CHAIR NICHOLS: Thank you. Other Board members who want to make final comments.

BOARD MEMBER GIOIA: Comment and a question.

CHAIR NICHOLS: Yes.

BOARD MEMBER GIOIA: I appreciate the comments from the speakers. I agree with that direction. I do want to -- can you -- I have not seen the draft document. Can you send this out to us? And I presumably because probably -- most of the cars here that are sold -- and electric cars that are sold in California, subject to the program, are manufactured in other states.

So presumably, this deals with not just the car maker that's located in California but deals with those that are in other states as well, and --

EXECUTIVE OFFICER COREY: We'll point to the trailer bill language that defined -- that provided the direction as well as the concept that's out. So it will layout what that direction was.

BOARD MEMBER GIOIA: Okay. Right. Because ultimate -- and the issue was how -- how do we -- part of it is how do we get a good realistic sort of
understanding, and therefore certification for those facilities that are located in other parts of the country and presume -- and some presumably even in other countries, right?

CHAIR NICHOLS: Any other final comments? If not, we will stand adjourned.

Thank you.

(Thereupon the Air Resources Board meeting adjourned at 4:04 p.m.)
CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Air Resources Board meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of June, 2018.

JAMES F. PETERS, CSR
Certified Shorthand Reporter
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