

CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER ADOPTION OF PROPOSITION 1B GRANTS FOR FY 2008-09 AND FY 2009-10 FUNDS TO REDUCE EMISSIONS FROM GOODS MOVEMENT

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider adoption of Proposition 1B grants for fiscal year (FY) 2008-09 and FY2009-10 funds to reduce emissions from goods movement.

DATE: June 24, 2010

TIME: 9:00 a.m.

PLACE: California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item may be considered at a one-day meeting of the Board, which will commence at 9:00 a.m., June 24, 2010. Please consult the agenda for the meeting, which will be available at least 10 days before June 24, 2010, to determine the order of agenda items.

BACKGROUND

The movement of freight (goods movement) throughout California results in emissions of diesel particulate matter (diesel PM), oxides of nitrogen (NO_x), and other pollutants. Goods movement involves the use of a variety of mobile emission sources, such as heavy duty trucks, diesel locomotives, ocean-going cargo ships, harbor craft, and cargo handling equipment. ARB has identified diesel PM as a toxic air contaminant, and NO_x contributes to regional ozone and PM levels that exceed State and federal air quality standards. The emissions from these mobile sources result in significant human health risks and adverse environmental effects, particularly when such sources release emissions near already heavily-impacted communities located in California's trade corridors where these sources operate.

The Proposition 1B: Goods Movement Emission Reduction Program (Program), approved by voters in 2006, authorizes \$1 billion in bond funding to the ARB to cut freight emissions in four priority trade corridors. The State budgets for FY2007-08, FY2008-09, and FY2009-10 appropriated nearly \$750 million total to ARB for the Program. The major sources eligible for bond funding include heavy-duty diesel trucks, freight locomotives, cargo ships at berth, commercial harbor craft, cargo handling equipment, and infrastructure for electrification of truck stops, distribution centers, and other places where trucks congregate.

The Program is a partnership between ARB and local agencies (like air districts and ports) to quickly reduce air pollution emissions and health risk from freight movement along California's four priority trade corridors. ARB awards Program funding to local agencies; those agencies then use a competitive process to provide incentives to equipment owners to upgrade to cleaner technology. However, project starts are now contingent on the availability of bond funding.

The Board adopted funding targets for the trade corridors as well as for the four funding categories (trucks, locomotives, ships at berth, and commercial harbor craft). The \$500 million appropriated for FY2008-09 and FY2009-10 will be tentatively allocated based on these targets and awarded when the monies are available. Under the State's current fiscal policies, ARB's ability to award the funds is dependent on the availability of cash from bond sales or other State financing mechanisms.

The Program is proposing to reserve \$25 million for ARB's current and future administrative costs. The \$475 million balance will be tentatively allocated at the June Board meeting in two phases: Phase 1 - \$200 million at the June Board meeting and Phase 2 - \$275 million in mid-2011 based on anticipated funds from Spring 2011 bond sales. ARB released a Notice of Funding Availability on April 15, 2010 to solicit applications from local agencies for \$500 million. Seven qualifying local agencies in the four corridors and a State agency (ARB) submitted 15 project proposals, requesting over \$1.1 billion to upgrade over 16,000 pieces of equipment.

ARB staff's recommendation for the tentative allocation of up to \$475 million and the award in two phases is shown below. ARB staff is recommending that the Board award the \$200 million in Phase 1 based on the Board-approved priority of trucks, locomotives, and ships at berth projects to reduce the elevated health risks in communities near where these sources operate.

Staff Proposal for June 2010 Allocations (Million \$)

Trade Corridor	Funding Category	Tentative Allocation	Phase 1	Phase 2
Los Angeles/Inland Empire	Trucks	\$141.5	\$42.5	\$99.0
	Locomotives	\$30.9	\$6.2	\$24.7
	Ships	\$61.3	\$61.3	---
	Corridor Total	\$233.7	\$110.0	\$123.7
Central Valley	Trucks	\$78.5	\$58.5	\$20.0
	Locomotives	\$27.7	---	\$27.7
	Corridor Total	\$106.2	\$58.5	\$47.7
Bay Area	Trucks	\$33.3	\$8.0	\$25.3
	Locomotives	\$2.3	---	\$2.3
	Ships	\$23.9	\$20.0	\$3.9
	Corridor Total	\$59.5	\$28.0	\$31.5
San Diego/Border Region	Trucks	\$25.0	\$3.0	\$22.0
	Harbor Craft	\$ 0.5	\$0.5	---
	Corridor Total	\$25.5	\$3.5	\$22.0
Loan Assistance	Trucks	\$50.0	---	\$50.0
TOTAL		\$474.9	\$200.0	\$274.9

AVAILABILITY OF DOCUMENTS

Summary tables, the complete applications submitted by the local and State agencies, and the preliminary staff recommendations are available on the Program website at <http://www.arb.ca.gov/gmbond> along with the Program Guidelines and other relevant documents. ARB staff expects to release the Staff Report on June 14, 2010, with proposed funding recommendations for consideration by the Board at the June 24 meeting.

Paper copies of the Staff Report may be obtained from ARB's Public Information Office, 1001 I Street, First Floor, Environmental Services Center, Sacramento, California, 95814, or by calling (916) 322-2990, starting June 15, 2010. The Staff Report may also be obtained from ARB's website at <http://www.arb.ca.gov/gmbond>.

SUBMITTAL OF PUBLIC COMMENTS AND AGENCY CONTACT PERSON

Interested members of the public may also present comments orally or in writing at the meeting, and may be submitted by postal mail or by electronic submittal before the meeting. To be considered by the Board, written comments not physically submitted at the meeting must be received **no later than 12:00 noon, June 23, 2010**, and addressed to the following:

Postal mail: Clerk of the Board, Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request. Additionally, this information may become available via Google, Yahoo, and other search engines.

The Board requests but does not require 20 copies of any written submission. Also, the ARB requests that written and e-mail statements be filed at least 10 days prior to the meeting so that ARB staff and Board members have time to fully consider each comment. Further inquiries regarding this matter should be directed to Ms. Sherrie Sala-Moore, Air Resources Engineer, at (916) 322-0343 or Ms. Barbara Van Gee, Manager, Goods Movement Program Section, at (916) 322-5350.

To request a special accommodation or language needs for any of the following:

- An interpreter to be available at the hearing.
- Have documents available in an alternate format (i.e. Braille, Large print) or another language.
- A disability-related reasonable accommodation.

Please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Para solicitar alguna comodidad especial o necesidad de otro idioma para alguna de las siguientes:

- Un intérprete que esté disponible en la audiencia
- Tener documentos disponibles en un formato alterno (por decir, sistema Braille, o en impresión grande) u otro idioma.
- Una acomodación razonable relacionados con una incapacidad.

Por favor llame a la oficina del Secretario del Consejo de Recursos Atmosféricos al (916) 322-5594 o envíe un fax al (916) 322-3928 no menos de diez (10) días laborales antes del día programado para la audiencia. Para el Servicio Telefónico de California para Personas con Problemas Auditivos, ó de teléfonos TDD pueden marcar al 711.

CALIFORNIA AIR RESOURCES BOARD

/s/

James N. Goldstene
Executive Officer

Date: June 7, 2010