



City of Biggs

Agenda Item Staff Report For the Regular City Council Meeting: December 10, 2013

TO: Honorable Mayor and Members of the City Council
FROM: City Administrator
SUBJECT: Council Letter regarding CARB diesel engine regulations.

Council Member Thompson requested consideration of drafting a Council letter regarding CARB diesel engine regulations.

Recommendation:

Consider the concept of drafting a Council letter regarding CARB diesel engine regulations and/or support for Alliance for California Business. And if Council decides to move forward with one or more letters, then decide upon the content or assign a person or persons to draft letter(s).

The text of the Alliance for California Business legal complaint against CARB was previously sent via email.

Attached:

- CARB Truck and Bus Regulation Compliance Requirements Summary
- Alliance for California Business Press Release November 25, 2013
- Alliance for California Business Press Release November 15, 2013
- Alliance for California Business Press Release November 11, 2013
- Chico ER Article regarding Alliance for California Business
- Butte County Board of Supervisors letter.
- Colusa County Board of Supervisors letter.

Mark Sorensen, City Administrator

FACTS ABOUT

Truck and Bus Regulation Compliance Requirements Summary

Fleets have flexibility to comply

On December 12, 2008, the California Air Resources Board approved the Truck and Bus regulation to significantly reduce particulate matter, or PM, and oxides of nitrogen emissions from existing diesel vehicles operating in California. This fact sheet describes the regulatory requirements consistent with the amendments considered by the Board in December 2010.

What vehicles are affected by the truck and bus regulation?

The regulation applies to nearly all diesel fueled trucks and buses with a gross vehicle weight rating (GVWR) greater than 14,000 pounds that are privately or federally owned and for privately and publicly owned school buses. Other public fleets, solid waste collection trucks and transit buses are already subject to other regulations and are not part of the truck and bus regulation. Trucks that transport marine containers must comply with the drayage truck regulation.

What are the compliance requirements for heavier trucks and buses?

| Engine Model Year Schedule for Heavier Trucks | |
|---|---|
| Engine Year | Requirement from January 1 |
| Pre-1994 | No requirements until 2015, then 2010 engine |
| 1994-1995 | No requirements until 2016, then 2010 engine |
| 1996-1999 | PM filter from 2012 to 2020, then 2010 engine |
| 2000-2004 | PM filter from 2013 to 2021, then 2010 engine |
| 2005-2006 | PM filter from 2014 to 2022, then 2010 engine |
| 2007-2009 | No requirements until 2023, then 2010 engine |
| 2010 | Meets final requirements |

Heavier trucks and buses with a GVWR greater than 26,000 pounds would have two primary ways to comply. Fleets could comply with the compliance schedule by engine model year or could use a phase-in option that is more flexible.

Starting January 1, 2012, heavier trucks would be required to meet the engine model year schedule shown to the left. Fleets that comply with the schedule would install the best available PM filter on 1996 model year and

newer engines and would replace the vehicle 8 years later. Trucks with 1995 model year and older engines would be replaced starting 2015. Replacements with a 2010 model year or newer engines meet the final requirements, but fleets could also replace with used trucks that would have a future compliance date on the schedule. For example, a replacement with a 2007 model year engine complies until 2023. By 2023 all trucks and buses must have 2010 model year engines with few exceptions. No reporting would be required if complying with this schedule.

| Phase-In Option for Heavier Trucks | |
|------------------------------------|--------------------------|
| Compliance Date | Vehicles with PM Filters |
| January 1, 2012 | 30% |
| January 1, 2013 | 60% |
| January 1, 2014 | 90% |
| January 1, 2015 | 90% |
| January 1, 2016 | 100% |

In addition, there would be a phase-in option that allows fleets to decide which vehicles to retrofit or replace, regardless of engine model year. Fleets must report information about all of their heavier trucks starting January 31, 2012, to use this option.

Fleets could comply by demonstrating they have met the percentage requirement each year as shown in the table. For example, by 2012 the fleet would need to have PM filters on 30 percent of the heavier trucks and buses in the fleet. This option counts 2007 model year and newer engines originally equipped with PM filters toward compliance and would reduce the overall

number of retrofit PM filters needed. Any engine with a PM filter regardless of model year would be compliant until at least 2020. Beginning January 1, 2020, all heavier trucks and buses would need to meet the requirements specified in the Compliance Schedule for Heavier Trucks.

Are there any credits or exemptions fleets can use?

Starting January 1, 2012, fleets that report and use the phase-in option for heavier trucks, could take advantage of credits to delay requirements for other heavier trucks in the fleet until 2017 for the following:

- PM filters installed before July 2011
- Early purchase of cleaner engines before 2012 (originally equipped with PM filters)
- Reducing the number of trucks since 2006
- Adding fuel-efficient hybrids or alternative fueled engines to the fleet

All fleets could make any vehicle equipped with a PM filter prior to 2014 compliant until 2020, or could make all heavier vehicles in the fleet exempt from meeting the replacement requirements until 2023 if all heavier trucks in the fleet are equipped with PM filters prior to 2014. Fleets would need to report by January 31, 2014 to take advantage. Vehicles operated less than 1000 miles per year can also be exempt from the general requirements but must be reported in the compliance year.

What are the requirements for lighter trucks and buses?

Lighter trucks and buses with a GVWR of 14,001 to 26,000 pounds would not have compliance requirements until 2015. The Engine Model Year Schedule for Lighter Trucks table lists the compliance dates that would apply by engine model year for lighter trucks. Starting January 1, 2015, lighter trucks with engines that are 20 years or older would need to be replaced with newer trucks. Starting January 1, 2020, all remaining trucks and buses would need to be replaced so that they would all have 2010 model year engines or equivalent emissions by 2023. No reporting would be required.

| Engine Model Year Schedule for Lighter Trucks | |
|---|------------------|
| Engine Year | Replacement Date |
| 1995 and older | January 1, 2015 |
| 1996 | January 1, 2016 |
| 1997 | January 1, 2017 |
| 1998 | January 1, 2018 |
| 1999 | January 1, 2019 |
| 2003 and older | January 1, 2020 |
| 2004-2006 | January 1, 2021 |
| 2007-2009 | January 1, 2023 |

Fleets would also have the option to install a PM filter retrofit on a lighter truck by 2014 to make the truck exempt from replacement until January 1, 2020, and any

lighter truck equipped with a PM filter retrofit prior to July 2011 would receive credit toward the compliance requirements for a heavier truck or bus in the same fleet.

Are there any other provisions for exemptions or delays?

The regulation has special provisions that delay some or all of the compliance requirements, but fleets must report to take advantage of them. By April 29, 2011, fleets would need to report to qualify for lower use and specialty agricultural truck exemptions until 2017 or 2023 and must report hour meter readings for sweepers with auxiliary Tier 0 engines. Fleets would need to report by January 31, 2012 to take advantage of delays until 2014 for small fleets with one to three vehicles, log trucks, lower use construction trucks, and vehicles operating in parts of the state with less polluted air.

What are the requirements for school buses?

School buses with a GVWR more than 14,000 pounds would need to meet PM filter requirements from 2012 to 2014. School bus fleets would need to demonstrate that 33 percent of their buses have PM filters by 2012, 66 percent by 2013 and 100 percent by 2014. If an engine cannot be equipped with a PM filter it will need to be replaced by January 1, 2018. Pre-1977 model year school buses must be replaced by 2012. No reporting is required, but fleets must keep records.

If I decide to sell my vehicle, do I have to notify the buyer of the requirements of this regulation?

Yes. Any person selling a vehicle subject to the Truck and Bus Regulation must provide a specific disclosure statement in writing to the buyer on the bill of sale, sales contract addendum, or invoice. See Regulatory Advisory 416 at www.arb.ca.gov/enf/advs/advs416.pdf.

For more information

Other fact sheets and additional information are available at: www.arb.ca.gov/dieseltruck or by calling ARB's diesel hotline at (866) 6DIESEL (866-634-3735). To obtain this document in an alternative format or language, please contact (866) 634-3735. TTY/TDD/ Speech to Speech users may dial 711 for the California Relay Service.

Alliance for California Business

Press Release - November 25, 2013

Contact: Steve Caldwell, allianceforca@gmail.com; telephone – [530-342-6511](tel:530-342-6511)

CARB Action on Diesel Particulate Filters Falls Short of Economic Fairness for Truckers

Recent actions by the California Air Resources Board (CARB) to delay full implementation of its requirement for the installation of diesel particulate filters (DPFs) on most trucks operating in the state do not address serious concerns by drivers about the safety and effectiveness of the devices, according to the Alliance for California Business (ACB).

By January 1, 2014, most trucks operating in the state will be required to have a DPF. At its October 24, 2013 board meeting, ACB and others in the trucking industry told CARB that thousands of trucks have yet to comply, and won't be able to meet the deadline. The truck owners told CARB that the DPF is a technically flawed device that causes constant repair problems and resulting delays in shipments. It places truck drivers and the general public at risk of fires and other truck-related accidents. The DPF is designed to reduce diesel particulate matter, but it leaves a giant carbon footprint on the state when it malfunctions or damages trucks – which is often. Small businesses and agriculture are most immediately impacted, but the effect of the DPF requirement will be felt throughout the state, as businesses struggle to absorb the financial impact by raising prices or reducing service to rural areas.

None of this is news to the trucking industry, but for the first time it appeared that someone on the Board had finally listened. On November 14, 2013, CARB announced that it would give some truck owners more time to comply with the Truck and Bus Regulation. Trucking owners or companies must show “good faith compliance” by doing one of the following by January 1, 2014: (1) enter into an agreement to buy and install a DPF; (2) sign a purchase contract and order a replacement truck equipped with a DPF; or (3) show that they were approved or denied a loan or other financing for a retrofit DPF or replacement truck equipped with a DPF. Alternatively, a truck owner could register the truck as one that stays exclusively within a designated low NOx county or drives less than 5,000 miles per year. In addition, CARB advises that it is going to provide further information to stakeholders and hold meetings to review these issues.

Says ACB Chairman of the Board Jim Paiva: “CARB’s olive branch to California businesses comes late in the day and won’t help most of our members. The DPF technology is unsafe and unreliable. For those who have installed these filter devices, they must endure the cost of constant mechanical failures and the threat of engine fires. The rest of us are waiting for the other shoe to drop, knowing that the CARB enforcement police are, as we speak, pulling over trucks and issuing large fines for noncompliance.”

ACB board member Rick Cinquini adds, “It just amazes me that CARB now says that it wants to start exploring the problems with a regulation they are already enforcing. Shouldn’t they have done that *before* requiring thousands of truckers to buy these dangerous and defective DPF devices?” Board member Mike Manna points out that “the area or mileage limitations just won’t work for companies that need to use trucks for different purposes on different days. That’s just not how the trucking business works.”

ACB president Bud Caldwell finds CARB's dishonesty about the number of trucks affected alarming: "It's not the small number predicted by CARB. CARB's statistics on the number of trucks that still need to be upgraded appear to be numbers pulled out of a hat, and also fail to consider the trucks coming into the state." Mr. Caldwell also asks CARB to explain this: "why is it that CARB funding to purchase the DPF or new trucks is limited or not available at all to truck owners whose trucks do not frequent certain corridors (the ones that are most impacted by pollution in the state). At the same time, CARB requires these same trucks (the ones that do not frequent this corridor) to buy the DPF or replace their trucks on the CARB schedule. How is that fair?"

Again, Mr. Caldwell: "The Alliance for California Business brought its lawsuit to require CARB to put an end to a program that by design will require truck owners fit their trucks with a dangerous and mechanically defective DPF device, and by doing so causes more harm to the environment than it cures. CARB's newest advisory tells us that CARB is finally thinking about these issues, but these weak and incomplete compliance deferments or carve-outs *temporarily* help only a handful of affected California truckers. They do not relieve truck owners of the fears and terrible economic uncertainty created by these regulations."

Mr. Cinquini summed it up: "It was CARB's responsibility to know and disclose the real facts about the DPF before requiring any truck owner to install that device. It is now CARB's duty to agree to an unconditional moratorium on the DPF devices until it is clear that they are safe, affordable, reliable, and do no harm to California's environment and economy."

Alliance for California Business

Contact: Steve Caldwell, allianceforca@gmail.com; telephone – 530-342-6511

Press Release - November 15, 2013

Truck Owners Respond to CARB's Reprieve of Diesel Filter Requirement

By January 1, 2014, most heavy-duty trucks operating in the state will be required to have a diesel particulate filter (DPF). At the October 24, 2013 California Air Resources Board ("CARB") meeting, members of the Alliance for California Business and others in the trucking industry told CARB that thousands of trucks have not yet complied and won't be able to meet the deadline. The truck owners told CARB that the DPF is a technically flawed device that causes constant repair problems and resulting delays in shipments. It places truck drivers and the general public at risk of fires and other truck related accidents. The DPF is designed to reduce diesel particulate matter but it leaves a giant carbon footprint on the state when it malfunctions or damages trucks – which is often. Small businesses and agriculture are most immediately impacted, but the effect of the DPF requirement will be felt throughout the state, as businesses absorb the financial impact by raising prices or reducing service to rural areas.

None of this was news to trucking industry, but for the first time it appears that someone on the Board finally listened. On November 14, 2013, CARB announced that it would give some truck owners more time to comply with the Truck and Bus Regulation. Trucking owners or companies must show "good faith compliance," by doing one of the following by January 1, 2014: (1) enter into an agreement to buy and install a DPF; (2) sign a purchase contract and order a replacement truck equipped with a DPF; or (3) show that they were approved or denied a loan or other financing for a retrofit DPF or replacement truck equipped with a DPF. Alternatively, the truck owner could register the truck as one that stays exclusively within a designated low NOx county or drives less than 5000 miles per year.

Alliance for California Business's president, Bud Caldwell, agrees that these are all steps in the right direction, but the deferment of just one year and these limited exemptions are not going to fix this problem. "First of all, thousands of truck owners will still have to adopt the seriously flawed DPF technology in order to meet the original deadline because they do not fit within these exemptions. And, says Mr. Caldwell "it's not the small number predicted by CARB. CARB's statistics on the number of trucks that still need to be upgraded appear to be numbers pulled out of a hat, and do not consider the trucks coming into the state."

Second, CARB's regulatory objective remains steadfast: that all California trucks and those trucks that come into the state must be equipped with a DPF. Again, Mr. Caldwell: "The Alliance for California Business brought its lawsuit to require CARB to put an end to a program that by design will require truck owners fit their trucks with a dangerous and mechanically defective DPF device, and by doing so causes more harm to the environment than it cures. So, CARB's newest advisory is just a first step. Now, CARB has to examine the real facts about the DPF and stop this regulatory debacle before it does still more harm to California's environment."

ALLIANCE FOR CALIFORNIA BUSINESS

Press Release - November 11, 2013

Contact: Steve Caldwell, allianceforca@gmail.com; telephone – 530-342-6511

Glenn County – Lawsuit filed by local business group against California Air Resources Board (CARB) challenging the legality of the Truck and Bus Regulation. The complaint includes allegations that CARB executive officers failed to disclose to the public vital information that it had about the defective design of the Diesel Particulate Filters (DPFs) that the state agency is requiring California truck owners to install by January 1, 2014.

The plaintiff in the lawsuit, Alliance for California Business, is a non-profit organization whose purpose is to protect and promote business growth throughout California, including Glenn County. Its members include truck owners and operators who provide transportation of agricultural products and other commercial goods from rural communities to points of production and distribution locally and throughout California.

The DPF, in its various iterations and designs, has caused innumerable problems for ACB members and truck owners throughout the state. CARB has promoted the DPF to reduce diesel particulate matter generated by diesel trucks. Due to the complicated design and maintenance requirements, the DPF in operation has numerous *negative* environmental impacts. The DPF is mechanically unsound causing trucks to break down on highways and require days (sometimes weeks) of repair efforts to get them back on road. The DPF has caused fires and destroyed truck engines. This device is not designed for use on short distance travel routes, and commonly malfunctions as a result. The malfunction requires these truck owners to drive empty trucks on the road for longer distances without stops, serving no commercial purpose other than to burn off soot buildup in the DPF. The inevitable fallout of these DPF malfunctions is increased use of energy, fuel and an *increase* in air pollution.

The DPF has caused massive financial harm to California truck owners, who must pay up to \$20,000 for each DPF device and then deal with constant repair bills and loss of income due to inoperable trucks. CARB boasts of many choices of “CARB-approved” manufacturers to choose from, but offers no financial assistance for those financially crippled by the design defects in these products.

While Alliance for California Business and its members wholeheartedly support clean air and cleaner diesel trucks, the Truck and Bus Regulation is an extreme and economically risky response to far less pervasive and urgent air quality issues in the rural counties of Northern California, including Glenn County. CARB is mandating a “one size fits all” regulatory scheme for trucks throughout the State of California, notwithstanding the fact that Northern California counties, such as Glenn County, have significantly better air quality than other parts of the state.

Alliance for California Business is requesting that the Glenn County Superior Court enjoin the implementation of portions of the Truck and Bus Regulation, particularly the CARB-imposed deadline of January 1, 2014, which requires that thousands of on-road trucks be either fitted with the DPF or taken off the road.

North-state alliance files lawsuit over California Air Resources Board regulation

By LAURA URSENY-Staff Writer Chico Enterprise-Record

Posted:

Chicoer.com

WILLOWS -- A rural-based group of north-state truck owners and operators who transport commercial and agricultural loads have filed a lawsuit against the California Air Resources Board, regarding the legality of truck and bus regulations.

In a lawsuit filed Friday in Glenn County Superior Court, the Alliance for California Business maintains CARB executives failed to disclose information about the diesel particulate filters the state is requiring California truck owners to install by Jan. 1 or park their trucks.

The alliance would like to see the Jan. 1 deadline suspended, and have the CARB-endorsed emissions filter reworked.

"We're going after the faulty implementation of the filter program. The filters don't work; they break and cause damage," said Bud Caldwell, president of Northgate Express trucking company in Chico, with 10 trucks, and an alliance member. "Whatever it takes to remove the (CARB) filter program."

Caldwell said the regulations will put small trucking firms out of business, considering the equipment costs and economy.

Northgate spent \$150,000 on a new truck that has a 500,000-mile warranty, but the CARB-approved filter has only a 50,000-mile warranty, Caldwell pointed out.

The alliance says the required filter has "caused innumerable problems for ACB members and truck owners throughout the state," as well as having "numerous negative environmental impacts."

A press release about the lawsuit maintains the filters cause trucks "to break down on highways and require days (sometimes weeks) of repair efforts."

The alliance says the filter has caused fires and destroyed truck engines, and "malfunctions" on short-distance runs.

"The malfunction requires these truck owners to drive empty trucks on the road for longer distances without stops, serving no commercial purpose other than to burn off soot buildup" in the filter, the press release stated. The alliance maintains that uses fuel and energy, as well as increases air pollution.

Truck owners say the filters are expensive — costing \$20,000 each — and then cost more when repair bills and income loss from idled time are considered. The lawsuit maintains that CARB offers no financial assistance for those hurt by the design defects.

Mike Manna of S&L Food Sales in Chico said his company faces similar problems with their 14

trucks, which have to be reliable. "By the end of the year, we have to remove and install filters or buy new trucks," said Manna.

"It puts us in an awkward situation, spending that much money on a filter with unproven technology. Our trucks have to go to rural areas and they have to be dependable."

Caldwell said members of the alliance met with Assemblyman Dan Logue, R-Loma Rica, and CARB representatives in a March town-hall meeting, and then in several follow-up meetings, including at Gov. Jerry Brown's office, but not with the governor.

"There was a lot of head-nodding over the points we made," Manna said, "but we heard nothing after that.

"It's extremely frustrating to deal with a big government agency and its lack of response. There have been meetings on meetings. Now there's this lawsuit."

Therese Cannata of Cannata Ching and O'Toole of San Francisco said she is hoping for a quick response from CARB, and one that may be favorable to her client's assertions.

"My perception is that CARB seems to be listening. Then we can get the dialog started, and maybe a moratorium" on the emission filter.

Cannata said there is agreement among businesses throughout the state over the problems associated with regulations.

While the alliance is primarily a north-state organization, it has hit a chord with California businesses, no matter the region. "They're getting support from throughout the state," she noted.

Caldwell said the regulations "kill the American dream," that a young man could not work hard, buy a truck and get started like he did.

While it supports clean-air regulations, the alliance points out the north-state air quality is not as bad as other parts of the state, and the regulations mandate a "one size fits all" plan for California trucks.

A phone call to CARB about the lawsuit was not returned by deadline.

Reach Laura Urseny at 896-7756, lurseny@chicoer.com, or on Twitter [@LauraUrseny](https://twitter.com/LauraUrseny).



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June 25, 2013

The Honorable Jerry Brown
Governor, State of California
State Capitol, Suite 1173
Sacramento, CA 95814

RE: Truck and Bus Regulation Timeline Extension

Dear Governor Brown:

The purpose of this letter is to respectfully request a meeting in order to discuss the unintended economic consequences creating dire hardship in the transportation industry. According to local transportation industry advocates, Californians are closing their businesses right now or moving out of the state due to the California Air Resources Board (CARB) Truck and Bus Regulation. The local advocates feel that only you can stop the bleeding in the economy that is underway and will continue to get worse in 2014-2016, at the peril of the transportation industry, and have asked the Butte County Board of Supervisors to encourage you to consider some of the recommendations below.

In response to local requests, the Butte County Board of Supervisors supports the following action items that can easily be implemented to amend the Truck and Bus Regulations governed by the CARB.

- 1. One state regulation should require equal funding throughout the state of California for on/off road equipment.**

Compliance is unaffordable for expensive upgrades or new trucks. Many businesses do not qualify for funding programs available, such as Proposition 1B funds or Carl Moyer grants, due to the fact that a portion of transportation routes are not within the major corridors of San Joaquin, Bay Area, Los Angeles, and San Diego. To comply, a business owner would need to invest a minimum of \$16,000 for a particulate matter (PM) trap or \$140,000 per vehicle or trailer to be in compliance. During an economic contraction, this is a heavy cost to bear and many companies do not have sufficient cash flow to finance new vehicles, nor assurance that the company could remain in business during the life of the loan. In addition, it is difficult to receive an equipment loan for PM traps as most lenders do not recognize PM traps as depreciable assets. Finally, used vehicles that are more affordable to small business are not available until lease terms end in 2015-2016. Currently, small business has no choice but to buy new vehicles, which they cannot afford.

- 2. Allow time for CARB to collaborate with the other branches of the CA Environmental Protection Agency to assess the unintended consequences created by the Truck and Bus**

Regulation. CARB should also ensure collaboration with the California Energy Commission as the regulation is actually increasing greenhouse gases, particulate matter, and hazardous materials in the greater supply chain. The air quality regulations are making greenhouse gas emissions grow, for example:

- a. Mining finite precious metals to replace perfectly good equipment and vehicles.
- b. High heat manufacturing processes of new parts and vehicles for Selective Catalytic Reduction (SCR) and PM traps are very energy intensive and create higher CO2 emissions.
- c. Global transportation of PM filters and SCR increases CO2, NOx, and particulate matter.
- d. Charging stations double electricity costs for business owners and emit indirect greenhouse gases of CO2.
- e. Annual maintenance of PM traps burns soot in a kiln, releases the NOx during this process, and takes over 700 degrees to clean the filter, which creates a demand for more electricity and increases greenhouse gases.
- f. CA businesses are selling noncompliant parts and equipment to competitors out of state at a fraction of what the resale value is. The pollution in other states is still polluting California air. Pollution doesn't know jurisdictional boundaries.
- g. Destruction of motors creates hazardous waste material instead of refurbishing these precious metals. The state is asking business owners to scrap or sell equipment that is completely usable for decades to come. There is no plan to recycle and refurbish these and it is the responsibility of the state to responsibly dispose of salvageable vehicles and parts.
- h. Truck tractors now require urea tanks. The manufacturing of urea is a high heat process and must also manufacture ionized water at over 1200 degrees Celsius. In addition, another global supply chain has been created. Ammonia emission should be studied for driver safety in the truck cab as well increasing ozone in the atmosphere. Urea does reduce NOx, but converts NOx to methane and carbon dioxide as the new offgas. Methane is a more dangerous greenhouse gas than NOx. Ammonia emissions will also create more ozone.

3. **Market driven technologies are not realized quickly, efficiently, or effectively. The process to bring technology to market prohibits the free market to determine a product's price based on supply and demand. Allow more time to allow competition to drive market demand and manufacturers to innovate new solutions.**

Currently, when CARB approves a device they are choosing losers and winners. Compliance is reliant on purchasing equipment and vehicles only manufactured by a small percentage of companies. CARB is prohibiting free market economics to allow prices to fall based on supply and demand. The process for a device to be approved by CARB takes too long and is extremely cost prohibitive. Businesses that need to purchase parts or new trucks and trailers to be compliant are beholden to high prices as there aren't enough competitors in the market. CARB

could take an "all of the above" approach to machinery that reduces particulate matter and NOx by allowing the process to be faster and affordable and allows innovation to get to market. Market driven technologies will lower prices, which then drives proactive decision making based on environmental and economic value.

4. Delay the compliance dates to 2023 for trucking companies for the following reasons:

- a. The latest reports from the local Air Quality Management Districts, as discussed in the CAPCOA report in April 2013, indicate that all regions in California have reduced bad air days for PM2.5 and ozone. It appears that the state is making very good progress.
- b. Economic recovery is slower than originally projected when the regulatory timelines were drafted in 2007, and amended in 2010. Companies that are in compliance with the phase-in schedule are paying off loans through 2014-2017 and cannot absorb new loan payments or additional investment into future compliance.
- c. California's unemployment rate has fallen to 8.6%, but does not account for the workers that are underemployed, working part-time, or are simply no longer actively seeking employment. Rural areas continue to lag toward recovery.
- d. Small fleets, defined as one to three truck tractors, cannot afford to purchase particulate matter traps or new trucks. Used vehicles with 2010 engines will begin entering the market in 2015-2016, which will be the most affordable option for small fleet owners. Most small fleet owners are required to purchase a 2010 engine as truck tractors are normally more than 20-years old.
- e. New technologies entering the market reduce NOx and PM2.5. Delaying the timeline will allow the market to test these new technologies for quality and durability. Delaying the timeline will ensure companies are not forced to purchase equipment with high failure and maintenance rates.
- f. CARB should consider an "all of the above strategy" to allow new technologies to be sold on the market quickly. The time delay and cost to a manufacturer to seek CARB approval takes too long and is cost prohibitive. Due to the regulation, sales of parts/vehicles/trailers are limited to certain manufacturers. Instead of prices falling due to increased competitors on the market, prices continue to rise since 2008. CARB is ensuring winners and losers in the free market.

There are many other solutions that could be considered to improve the regulation, including but not limited to:

1. CARB could focus efforts in high-priority areas such as San Joaquin, LA Basin, San Diego and the Bay Area. According to the CAPCOA report, PM2.5 and Ozone are reduced throughout the state. The CARB has already exempted Alpine, Del Norte, Modoc, and Mono for NOx emission controls. The entire North State should also be exempted, due to smaller populations, clean air, and communities that are frequently ineligible for funding.
2. Allow small business to upgrade to new 2010 diesel engine according to the new natural life cycle a business would reinvest in newer equipment - compliance through attrition. The accelerated timelines for the phase-in schedule are not viable in these economic conditions.

3. Allow flexibility in the regulation to consider the efforts of the business to manage for sustainability and offer incentive credits. All companies manage efficiencies and focus on health and safety. When a business manages for sustainability they are achieving positive environmental impacts, such as conserving water and energy, reducing pollutants and hazardous waste, and providing raw materials through recycling. When a business offers wellness programs, health benefits, sick and vacation leave, they are also improving the quality of life of the employee and his or her family. Incentives work.
4. Allow flexibility to recognize innovation and ingenuity from the business community. Many companies are investing in alternative gas and electric vehicles or hybrid technology. Give credits and/or exemptions to companies that are employing new technologies not currently permitted for compliance, such as natural gas, propane fuel, alternative low carbon fuels, hydrogen, and hybrid or electric vehicles.
5. Allow further extensions for companies that have already been working toward compliance in accordance with CARB's phase-in schedule. Offer additional incentives or timeline extensions to recognize the significant financial investment into being proactive. This will be a win-win to everyone.

In conclusion, delaying the timeline to 2023 will enable business to invest in growth strategies rather than invest in compliance. Growing businesses will provide long-term economic benefits to the state, and companies can reinvest in new equipment on a natural attrition cycle. We cannot afford our trucking industry to become dominated by national chains, out of state, or foreign companies. These family businesses want to remain in business in California. Most important, these businesses want to remain in business.

We respectfully request that you contact Supervisor Larry Wahl to arrange a time to meet with local representatives to discuss the proposals contained in this letter and to better understand why a "one size fits all" approach is detrimental to our region's smaller businesses. Supervisor Wahl's office phone number is (530) 891-0685 and his e-mail is lwahl@buttecounty.net.

Sincerely,

Bill Connelly

Bill Connelly, Chair
Butte County Board of Supervisors

cc: Members, Butte County Board of Supervisors
The Honorable Brian Dahle, Member of California State Assembly
The Honorable Dan Logue, Member of California State Assembly
The Honorable Jim Nielsen, Member of California State Senate
Paul Yoder, Strategic Local Government Services, LLC
California State Association of Counties (CSAC)
Rural County Representatives of California (RCRC)
Members, California Air Resources Board
California Air Quality Management and Air Pollution Control District Governing Boards
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California Transportation Association
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July 30, 2013

The Honorable Jerry Brown
Governor, State of California
State Capitol, Suite 1173 Sacramento, CA 95814

RE: Truck and Bus Regulation Timeline Extension

Dear Governor Brown:

The purpose of this letter is to respectfully request a meeting in order to discuss the unintended economic consequences creating dire hardship in the transportation industry. According to local transportation industry advocates, Californians are closing their businesses right now or moving out of the state due to the California Air Resources Board (CARB) Truck and Bus Regulation. The local advocates feel that only you can stop the bleeding in the economy that is underway and will continue to get worse in 2014-2016, at the peril of the transportation industry, and have asked the Colusa County Board of Supervisors to encourage you to consider some of the recommendations below.

In response to local requests, the Colusa County Board of Supervisors supports the following action items that can easily be implemented to amend the Truck and Bus Regulations governed by the CARB.

1. One state regulation should require equal funding throughout the state of California for on/off road equipment.
2. Allow time for CARB to collaborate with the other branches of the CA Environmental Protection Agency to assess the unintended consequences created by the Truck and Bus Regulation. CARB should also ensure collaboration with the California Energy Commission as the regulation is actually increasing greenhouse gases, particulate matter, and hazardous materials in the greater supply chain. The air quality regulations are making greenhouse gas emissions grow, for example:
3. Market driven technologies are not realized quickly, efficiently, or effectively. The process to bring technology to market prohibits the free market to determine a product's price based on supply and demand. Allow more time to allow competition to drive market demand and manufacturers to innovate new solutions.

4. Delay the compliance dates to 2023 for trucking companies for the following reasons:

There are many other solutions that could be considered to improve the regulation, including but not limited to:

1. CARB could focus efforts in high-priority areas such as San Joaquin, LA Basin, San Diego and the Bay Area. According to the CAPCOA report, PM2.5 and Ozone are reduced throughout the state. The CARB has already exempted Alpine, Del Norte, Modoc, and Mono for NOx emission controls. **The entire North State should also be exempted, due to smaller populations, clean air, and communities that are frequently ineligible for funding.**
2. Allow small business to upgrade to new 2010 diesel engine according to the new natural life cycle a business would reinvest in newer equipment – compliance through attrition. The accelerated timelines for the phase-in schedule are not viable in these economic conditions.
3. Allow flexibility in the regulation to consider the efforts of the business to manage for sustainability and offer incentive credits. All companies manage efficiencies and focus on health and safety. When a business manages for sustainability they are achieving positive environmental impacts, such as conserving water and energy, reducing pollutants and hazardous waste, and providing raw materials through recycling. When a business offers wellness programs, health benefits, sick and vacation leave, they are also improving the quality of life of the employee and his or her family. Incentives work.
4. Allow flexibility to recognize innovation and ingenuity from the business community. Many companies are investing in alternative gas and electric vehicles or hybrid technology. Give credits and/or exemptions to companies that are employing new technologies not currently permitted for compliance, such as natural gas, propane fuel, alternative low carbon fuels, hydrogen, and hybrid or electric vehicles.
5. Allow further extensions for companies that have already been working toward compliance in accordance with CARB's phase-in schedule. Offer additional incentives or timeline extensions to recognize the significant financial investment into being proactive. This will be a win-win to everyone.

In conclusion, delaying the timeline to 2023 will enable business to invest in growth strategies rather than invest in compliance. Growing businesses will provide long-term economic benefits to the state, and companies can reinvest in new equipment on a natural attrition cycle. We cannot afford our trucking industry to become dominated by national chains, out of state, or foreign companies. These family businesses want to remain in business in California. Most important, these businesses want to remain in business.

We respectfully request that you contact Supervisor Tom Indrieri to arrange a time to meet with local representatives to discuss the proposals contained in this letter and to better understand why a "one size fits all" approach is detrimental to our region's smaller

businesses. Supervisor Indrieri can be reached at 530-300-6039 or via email at lindrieri@countyofcolusa.org

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Carjer", with a long, sweeping horizontal line extending to the right.

Denise Carjer, Chair
Colusa County Board of Supervisors

cc:

The Honorable Brian Dahle, Member of California State Assembly

The Honorable Dan Logue, Member of California State Assembly

The Honorable Jim Nielsen, Member of California State Senate

California State Association of Counties (CSAC)

Rural County Representatives of California (RCRC)

Members, California Air Resources Board

California Air Quality Management and Air Pollution Control District Governing Boards

CalTrans

CA Farm Bureau

CA Transportation Association

Owner Operator Independent Driver Association