

State of California  
AIR RESOURCES BOARD

Summary of Board Meeting  
July 26-27, 2001

California Environmental Protection Agency  
Air Resources Board  
Whitcomb Ballroom  
Ramada Plaza Hotel  
1231 Market Street  
San Francisco, California

MEMBERS PRESENT: Hons. Alan C. Lloyd, Ph.D., Chairman  
Dr. William A. Burke  
Doreen D'Adamo  
Mark J. DeSaulnier  
C. Hugh Friedman  
William F. Friedman, M.D.  
Matthew R. McKinnon  
Barbara Patrick  
Barbara Riordan  
Ron Roberts

AGENDA ITEM #

**01-6-1 Public Meeting to Consider the Approval of California's 2001 Emission Inventory**

SUMMARY OF AGENDA ITEM:

Staff presented the statewide, annual average, 2001 emission inventory as part of the triennial inventory review and approval process required by state law. The presentation included an overview of the uses and structure of the emission inventory, as well as a discussion of statewide emissions trends and the changing contributions of different source categories. Staff presented the most significant updates reflected in the 2001 emission inventory, specifically in the on-road mobile and recreational marine engine emission inventories. The updated marine engine inventory was presented in support of a proposed regulation for inboard and sterndrive marine engines that was considered later in the day. Staff concluded by describing how tools, such as GIS and the Internet, are being used to make the emission inventory more accessible and easier to understand.

ORAL TESTIMONY: None

FORMAL BOARD ACTION:

The Board approved by unanimous vote the statewide, annual average, 2001 emission inventory, including the recreational marine engine emission inventory.

RESPONSIBLE DIVISION: PTSD

STAFF REPORT: Yes (20 pages + the 340 page 2001 emission inventory document)

**01-6-2 Public Hearing To Consider Adoption of Emission Standards and Test Procedures for New 2003 and Later Spark-ignition Inboard and Sterndrive Marine Engines**

SUMMARY OF AGENDA ITEM:

The staff proposed emission standards in 2003 with combined HC+NOx standards capped at present uncontrolled levels of 15 grams per kilowatt-hour. The second tier of standards, set at 67 percent below the 2003 standards, would be phased-in beginning in 2007. Additionally, on-board diagnostic systems would be required on engines complying with the proposed standards to ensure the continued proper performance of emission control devices (e.g., catalytic converters) over time. These regulations would allow a "four-star" environmental-label level beyond the "three-star" 2008 level mandated for outboard engines.

Staff proposed Technology Reviews in 2003 and 2005 to evaluate progress in developing catalyst control systems for boats. Staff reported that a cooperative test program for boat-engine catalysts and OBD systems between the ARB, U.S. EPA, U.S. Coast Guard, and the manufacturers is being planned, funded, and organized.

At the hearing, staff proposed revisions to raise the 2003 cap emission level to 16 g/kW-hr HC+NOx, accelerate the percentage-sales phase-in requirements for the 2007 standards, split environmental label responsibilities between the boat and engine manufacturers, make the OBD requirements less complex, and make the requirement of misfire monitoring in the OBD requirements contingent on a finding of necessity by the Executive Officer.

The Board approved the staff's proposal with the revisions and supported the joint test program.

## ORAL TESTIMONY:

Richard Penna	National Marine Manufacturers' Association
Dick Rowe	National Marine Manufacturers' Association
Rolf Lichtner	National Marine Manufacturers' Association
Peter Eikenberry	U.S. Coast Guard
Dale McKinnon	Manufacturers of Emission Controls Association
Russell Long	Bluewater Network

## FORMAL BOARD ACTION:

The Board approved Resolution 01-23 by a unanimous vote.

RESPONSIBLE DIVISION: MSCD

STAFF REPORT: Yes (59 pages + attachments)

**01-6-3 Public Meeting to Consider the Ten-Year Strategic Plan for Research and Implementation for FY 2001-2002**

## SUMMARY OF AGENDA ITEM:

Staff presented the report that outlines the Board's ten-year Strategic Plan for Air Pollution Research and its annual implementation entitled, the Planned Air Pollution Research for Fiscal Year 2001-2002. The Board's future regulatory efforts are the basis for these reports. The Strategic Plan describes and prioritizes various air pollution issues that will focus the research program over the next decade. The Planned Air Pollution Research for Fiscal Year 2001-2002 contains 21 projects recommended for funding totaling a little more than \$6 million.

## ORAL TESTIMONY:

David Schonbrunn	Transportation Solutions Defense and Education Funds
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## FORMAL BOARD ACTION:

The Board approved Resolution 01-24 by a unanimous vote.

RESPONSIBLE DIVISION: RD

STAFF REPORT: Yes

(Strategic Plan for Research 2001 to 2010 – 51 pages, and  
Planned Air Pollution Research Fiscal Year 2001-2002 – 30 pages)

**01-6-4 Public Meeting to Consider the Status on the Implementation of the California Phase 3 Reformulated Gasoline (CaRFG3) Regulations**

SUMMARY OF AGENDA ITEM:

As part of the resolution approving the CaRFG3 regulations, the Board directed staff to provide semi-annual updates regarding progress towards implementation of the CaRFG3 regulations. At the Board meeting, the staff summarized the Compliance Plans provided by California refiners. Based on the proposed schedules and meetings with industry representatives, California refiners are on target with their facility preparations to meet the December 31, 2002 date for the phase-out of Methyl Tertiary Butyl Ether (MTBE) from California gasoline.

The Board also directed staff to address the following issues by December 31, 2001:

- ◆ Assess the potential increase in Volatile Organic Compound (VOC) emissions associated with increased materials permeability resulting from the use of ethanol in gasoline.
- ◆ Assess the emissions impact in 2003 and beyond of the commingling of CaRFG3 containing ethanol with CaRFG3 not containing ethanol.
- ◆ Further evaluate the practicality of the allowable MTBE residual limits for CaRFG3.

Staff presented information regarding the United States Environmental Protection Agency's (U.S. EPA's) denial of California's request for a waiver of the federal oxygenate requirement. The Air Resources Board staff strongly disagrees with the U.S. EPA's assessment. The U.S. EPA did not properly consider the benefit of further oxides of nitrogen emission reductions to California's attainment of the PM10 ambient air quality standard. Staff differ with the U.S. EPA's conclusion that there is a substantial likelihood that a waiver would result in an increase in VOC emissions. U.S. EPA's conclusion is a worst case assessment based on speculative factors that might affect commingling emissions.

In response to the U.S. EPA's denial a number of potential options are being evaluated. These include but are not limited to:

- ◆ Accept the denial and maintain the current phase-out date of MTBE; relying on ethanol as the only way to make virtually every gallon of California gasoline.
- ◆ Legally challenge, in Federal Court, the U.S. EPA's denial of the waiver.
- ◆ Request that the U.S. EPA reconsider the waiver request based on new data regarding permeation, the U.S. EPA's lack of consideration of the PM10 ambient air quality standard, and their failure to recognize California's commitment to fully mitigate any unexpected emission increase due to commingling.
- ◆ Extend the schedule for the phase-out of MTBE and full implementation of the CaRFG3 regulations.
- ◆ Pursuit of a change in federal law regarding oxygen in federal reformulated gasoline.
- ◆ A combination of the options described above.

The California Energy Commission (CEC) staff presented information related to the supply and distribution of ethanol to California and Phase 3 gasoline. CEC reported that without a waiver from the U. S. EPA the additional cost to the California consumer would be at least \$475 million per year. California's use of ethanol will divert \$456 to \$721 million from the highway account.

The CEC staff expressed their concerns regarding the adequacy of the ethanol supply and the availability of the distribution infrastructures necessary to comply with the federal oxygen requirement. Without a waiver, any disruptions in the supply of ethanol could lead to shortages in the supply of CaRFG3 and significant price spikes.

ORAL TESTIMONY:

Julia Levin	Union of Concerned Scientists
Elisa Lynch	Bluewater Network
Charlie Peters	Clean Air Performance
Roland J. Hwang	Natural Resources Defense Council and American Lung Association

FORMAL BOARD ACTION: None

RESPONSIBLE DIVISION: SSD

STAFF REPORT: No

**01-6-5 Public Meeting to Consider a Status Report on Ozone Transport Mitigation**

## SUMMARY OF AGENDA ITEM:

At the April 2001 Board meeting on transport assessment, the Board directed the staff to look at four transport mitigation strategies and provide a status report at the July Board meeting.

The staff presented the results of its investigation of the following strategies: 1) all feasible measures; 2) equal New Source Review offset thresholds for upwind and downwind districts; 3) improved smog check for the Bay Area; and 4) a mitigation fee bank.

The staff recommended that the Board direct the staff to return early next year with proposed amendments to the transport mitigation regulation to incorporate the first three concepts. The Board directed the staff to proceed as recommended but to also include the mitigation fee bank as an item for additional consideration during the public review process.

## ORAL TESTIMONY:

Dennis Cardoza	Assemblymember, State Capitol
Dave Jones	Representing Assemblymember Dennis Cardoza
Jerry O'Banion	Supervisor, Merced County
Joe Rivero	Supervisor Merced County
Kenni Friedman	Council Member, City of Modesto
Bob Deklinski	Council Member, City of Oakdale
Farrell Jackson	Council Member, City of Oakdale
Phil Rockey	Council Member, City of Oakdale
Michael Burns	Council Member, City of Waterford
Ellen Garvey	Bay Area Air Quality Management District
David Crow	San Joaquin Valley Air Pollution Control District
Larry Greene	Yolo-Solano Air Pollution Control District
Chuck Fryxell	Mojave Desert Air Quality Management District
Gretchen Bennitt	Northern Sierra Air Quality Management District
Paul Knepprath	American Lung Association of California
Nate Marciochi	City of Los Banos
Julius Pekar	Merced County Chamber of Commerce
Amber Houska	Merced County Economic Development Corporation
Donna L. Hansen	City of Modesto
Fred Cavanah	City of Modesto

Jana Coons	City of Modesto
Wayne Zipser	Citizen
Charles Deschenes	City of Woodland
Tim James	Sacramento Metropolitan Chamber of Commerce
Walter Burr	City of Merced
Frank Vierra	City of Livingston
Sonya Harrigfeld	Stanislaus County
Robert Nunes	Monterey Bay Air Pollution Control District
Larry Allen	San Luis Obispo County Air Pollution Control District
Brigette Tollstrup	Sacramento Metropolitan Air Quality Management District
Henry Hogo	South Coast Air Quality Management District
Linda Weiner	American Lung Associations of Bay Area
Judith Lamare	American Lung Association of Sacramento
Suzanne Phinney	Cleaner Air Partnership
Shannon Eddy	Sierra Club
Judith Rocchio	National Park Service
Jeff McGraw	Transportation Involves Everyone
Gabrielle Karmon	Transportation Involves Everyone
Chris Reardon	Manufacturers Council of the Central Valley
Vito Chiesa	Stanislaus County Farm Bureau
Charlie Peters	Clean Air Performance Professionals
Larry Armstrong	Citizen
Leonard Trimlett	<a href="http://www.smogrfq.com">www.smogrfq.com</a>
David Schonbrunn	Transportation Solutions Defense and Education Fund

FORMAL BOARD ACTION: None

RESPONSIBLE DIVISION: PTSD

STAFF REPORT: A formal staff report was not prepared. However, staff did prepare a seven-page status report summarizing the analyses of the four concepts suggested by the Board.

**01-6-6            Public Hearing to Consider Approval of a Revision to the  
Ozone State Implementation Plan for the San Francisco Bay  
Area**

**SUMMARY OF AGENDA ITEM:**

Staff presented the *San Francisco Bay Area 2001 Ozone Attainment Plan for the 1-Hour National Ozone Standard (2001 Plan)* to the Board for its approval as a revision to the State Implementation Plan (SIP). The Bay Area Air Quality Management District (District) and its co-lead agencies, the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) adopted the 2001 Plan on July 18, 2001.

The District prepared the 2001 Plan because the Bay Area failed to attain the federal ozone standard by its 2000 deadline. As a result, the U.S. Environmental Protection Agency has proposed to disapprove the Bay Area's 1999 Plan and to require a new plan that has an updated emissions inventory, includes new transportation conformity budgets, and shows attainment of the federal ozone standard by 2006.

The 2001 Plan included a new control strategy with seven new stationary source measures, five new transportation control measures (TCMs), and six further-study TCMs. It also included a commitment by the District to opt in to two VOC reducing elements of the enhanced smog check program (Smog Check II). Reductions from these new measures plus reductions from ongoing programs will provide 246 tons per day of combined VOC and NOx reductions between 2000 and 2006. The Plan also included a new attainment assessment based on currently available data for the Bay Area. The Bay Area co-lead agencies have committed to reassess the attainment assessment in 2003 using data from the Central California Ozone Study and to submit a revised SIP to U.S. EPA in 2004 with any needed modifications.

The Board heard testimony from 26 witnesses most of whom focused on the need for an expanded public process and a full enhanced inspection and maintenance program to mitigate downwind pollutant transport. Witnesses also testified on the need for more emission reductions, both from stationary sources and by reducing vehicle travel in the Bay Area. Due to these concerns, the Board delayed its decision to approve the 2001 Plan until at least September 2001.



## ORAL TESTIMONY: Yes

Jack Broadbent	U.S. EPA
David Crow	San Joaquin Valley Unified APCD
Brigette Tollstrup	Sacramento Metropolitan AQMD
Julia May	Communities for a Better Environment
Dr. Henry Clark	West County Toxics Coalition
Ethel Dotson	Communities for a Better Environment
Larry Armstrong	Citizen
Charlie Peters	Clean Air Performance Professionals
Supervisor Chris Daly	City and County of San Francisco
Flora Campbell	Citizen
Ms. Thomas	West County Toxics Coalition
Shannon Eddy	Sierra Club
Marcie Keever	Environmental Law & Justice Clinic/Our Children's Earth Fund
Mary Head	Citizen
Tina Consentino	Communities for a Better Environment
Donna Dindio	Communities for a Better Environment
Carla M. Perez	Communities for a Better Environment
Nia Hamilton	Communities for a Better Environment
Wendy Banegas	Communities for a Better Environment
Richard Drury	Communities for a Better Environment
A. J. Napolis	Silicon Valley Toxics Coalition
David Schonbrunn	Transportation Solutions Defense and Education Fund
John Holtzclaw	Sierra Club
Dennis Bolt	Western States Petroleum Association
Jim Thomas	National Motorist Association
Leonard R. Trimlett	<a href="http://www.smogrfq.com">www.smogrfq.com</a>

FORMAL BOARD ACTION: No

RESPONSIBLE DIVISION: PTSD

STAFF REPORT: Yes (41 pages)

**01-4-2 Public Meeting to Consider an Update on Enforcement Activities**

## SUMMARY OF AGENDA ITEM:

While the Air Resources Board maintains a rigorous regulatory program designed so that California may meet the air quality standards necessary to provide healthful air for all of its citizens, it is also the responsibility of the ARB to assure that these regulations are fully implemented. Therefore, the ARB carries out an extensive enforcement program of inspections and investigations to discover,

correct and settle cases for violations of the ARB's regulations. Such enforcement ensures that the maximum air quality benefits of these regulations are realized.

The enforcement program is focused on mobile source violations, and violations of consumer products, fuels and cargo tanks, and infractions of asbestos removal protocols. The ARB has recently directed a considerable portion of its enforcement resources to correct violations in mixed industrial/residential areas.

ORAL TESTIMONY: None

FORMAL BOARD ACTION: None (Informational item)

RESPONSIBLE DIVISION: ED

STAFF REPORT: Yes (129 pages)

**01-6-7      Public Hearing to Consider the Proposed Asbestos Airborne Toxic Control Measure for Construction, Grading, Quarrying, and Surface Mining Operations**

**SUMMARY OF AGENDA ITEM:**

The staff proposed an asbestos airborne toxic control measure for construction, grading, quarrying, and surface mining operations. The authority for this regulation is the State's Toxic Air Contaminant Identification and Control Program (Health and Safety Code sections 39650-39675). The Air Resources Board (ARB or Board) identified asbestos as a toxic air contaminant in 1986 with no identifiable threshold level. Asbestos is classified as a known human carcinogen by State, federal, and international agencies.

Information from ambient air monitoring studies has demonstrated a potential for elevated exposures and risks for individuals living near quarries and construction sites where asbestos-containing materials are being disturbed. On the basis of these ambient air monitoring results and other information, ARB staff proposed a regulation to reduce emissions from construction, grading, quarrying, and surface mining operations.

The Board heard testimony from State and local agencies, as well as the public and environmental groups, who encouraged the Board's adoption of this ATCM in order to protect public health. Some witnesses suggested alternative performance standards, requiring signs, or requiring air monitoring. Other witnesses expressed concern about the applicability criteria, the cost of the optional air monitoring, and the need for a statewide regulation.

The Board approved the staff's proposal with the staff's recommended modifications. In addition, if a method is developed in the future to determine that there is no asbestos in an area subject to the ATCM, the Board directed the Executive Officer to evaluate the method in consultation with the Department of Conservation and other affected parties. If the Executive Officer concludes that the method can accurately demonstrate that an area has no asbestos, the Executive Officer was directed to return to the Board with a regulatory amendment allowing the method to be utilized, as appropriate, to obtain an exemption from the ATCM requirements. The Board also directed staff to develop guidance to assist the air pollution control and air quality management districts in the implementation of the Asbestos ATCM and a public education program for homeowners with residential property in ultramafic rock areas.

The modifications made during the hearing will be made available for public review and comment for 15 days in a Notice of Public Availability of Modified Text. The Executive Officer will consider any comments received during this period before adopting the ATCM.

The ATCM will become effective following approval by the Office of Administrative Law and publication by the Secretary of State.

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ORAL TESTIMONY:

Ronald Churchill	Division of Mines and Geology
Charles Rea	Construction Materials Association of California
Mark Harrison	Construction Materials Association of California
Steve Cortner	Vulcan Materials
Mark Pawlicki	Simpson Timber Company
Janna Scott	Forest Resources Council
Jon Morgan	El Dorado County APCD
Robert Reynolds	Lake County APCD
Ross Kauper	Lake County APCD
James Wagoner	Butte County AQMD
Adam Harper	California Mining Association
Eugene Cunningham	The Citizens of California
Jim Hatler	Sierra Rock Products
Toni Johnson	Citizen
Melissa Vargas	Citizens for the Protection of Health, Environment, and Quality of Life (CPHEQL)
Joe M. Vargas	Citizen

Earl Withycombe  
Alice Q. Howard  
Terry Trent

American Lung Association of California  
Maidu Group Sierra Club  
Citizen

FORMAL BOARD ACTION:

The Board approved Resolution 01-6-7 by a unanimous vote.

RESPONSIBLE DIVISION: SSD

STAFF REPORT: Yes (93 pages + appendices)