

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

CALEPA HEADQUARTERS
BYRON SHER AUDITORIUM
SECOND FLOOR
1001 I STREET
SACRAMENTO, CALIFORNIA

FRIDAY, MAY 25, 2018

9:12 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

A P P E A R A N C E S

BOARD MEMBERS:

Ms. Mary Nichols, Chair

Ms. Sandra Berg, Vice Chair

Dr. John Balmes

Hector De La Torre

Mr. John Eisenhut

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

STAFF:

Mr. Richard Corey, Executive Officer

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

A P P E A R A N C E S C O N T I N U E D

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

A P P E A R A N C E S C O N T I N U E D

STAFF:

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

A P P E A R A N C E S C O N T I N U E D

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 Merkle, Farm Bureau Federation, California Cattlemen's Association

Mr. Luis Olmedo, Comite Civico

Ms. Kathryn Phillips, Sierra Club 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

A P P E A R A N C E S C O N T I N U E D

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

I N D E X

	PAGE
Pledge of Allegiance	1
Roll Call	1
Opening remarks by Chair Nichols	2
Item 18-4-1	
Chair Nichols	4
Executive Officer Corey	4
Staff Presentation	5
Dr. Quintero	21
Mr. Romero	29
Mr. Olmedo	31
Board Discussion and Q&A	33
Motion	46
Vote	46
Board Discussion and Q&A	46
Item 18-4-2	
Chair Nichols	56
Executive Officer Corey	57
Staff Presentation	58
Mr. Price	72
Mr. Freeman	74
Mr. Bernarducci	76
Mr. Raymond	78
Ms. Quinonez	80
Board Discussion and Q&A	82
Motion	83
Vote	84
Item 18-4-3	
Chair Nichols	84
Executive Officer Corey	86
Staff Presentation	87
Board Discussion and Q&A	98
Mr. Lewis	100
Mr. Brezny	103
Mr. Torres	105
Mr. Barrett	110
Mr. Rushing	111
Mr. Merkley	113
Mr. Shimoda	114
Mr. Tunnel	116
Mr. Cram	117
Mr. Edgar	119

I N D E X C O N T I N U E D

	PAGE
Item 18-4-3(continued)	
Board Discussion and Q&A	120
Motion	138
Vote	142
Afternoon Session	143
Item 18-4-4	
Vice Chair Berg	143
Executive Officer Corey	144
Staff Presentation	145
Board Discussion and Q&A	162
Ms. Darlington	164
Ms. Schkolnick	165
Mr. Lemus	167
Mr. Abbs	168
Mr. Headley	168
Mr. Portugal	170
Mr. Coates	171
Ms. Jackson	174
Mr. Smith	175
Mr. Blubaugh	177
Ms. Holmes-Gen	179
Mr. Rushing	182
Mr. McKerley	184
Ms. Torres Pawling	186
Ms. Ronen	188
Mr. Maggay	189
Mr. Carmichael	191
Mr. Pimentel	192
Mr. Wiraatmadja	194
Ms. Alafia	194
Mr. Samulon	195
Ms. Goldsmith	197
Mr. Kenny	198
Mr. Schuchard	199
Ms. Wahl	200
Mr. Tepke	201
Ms. Phillips	202
Mr. Campbell	203
Mr. Chavez	205
Mr. Beebe	206
Board Discussion and Q&A	209
Motion	248
Vote	248

I N D E X C O N T I N U E D

	PAGE
Public Comment	250
Adjournment	257
Reporter's Certificate	258

1 P R O C E E D I N G S

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

6 If you'll please rise.

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

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

16 Will the clerk please call the roll.

17 BOARD CLERK McREYNOLDS: Dr. Balmes?

18 BOARD MEMBER BALMES: Here.

19 BOARD CLERK McREYNOLDS: Mr. De La Torre?

20 Mr. Eisenhut?

21 BOARD MEMBER EISENHUT: Here.

22 BOARD CLERK McREYNOLDS: Senator Florez?

23 BOARD MEMBER FLOREZ: Here.

24 BOARD CLERK McREYNOLDS: Assembly Member Garcia?

25 Supervisor Gioia?

1 BOARD MEMBER GIOIA: Here.

2 BOARD CLERK McREYNOLDS: Senator Lara?

3 Ms. Mitchell?

4 BOARD MEMBER MITCHELL: Here

5 BOARD CLERK McREYNOLDS: Mrs. Riordan?

6 BOARD MEMBER RIORDAN: Here.

7 BOARD CLERK McREYNOLDS: Supervisor Roberts?

8 BOARD MEMBER ROBERTS: Here.

9 BOARD CLERK McREYNOLDS: Supervisor Serna?

10 BOARD MEMBER SERNA: Here.

11 BOARD CLERK McREYNOLDS: Dr. Sherriffs?

12 BOARD MEMBER SHERRIFFS: Present.

13 BOARD CLERK McREYNOLDS: Professor Sperling?

14 BOARD MEMBER SPERLING: Here.

15 BOARD CLERK McREYNOLDS: Ms. Takvorian?

16 BOARD MEMBER TAKVORIAN: Here.

17 BOARD CLERK McREYNOLDS: Vice Chair Berg?

18 VICE CHAIR BERG: Here.

19 BOARD CLERK McREYNOLDS: Chair Nichols?

20 CHAIR NICHOLS: Here.

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

23 CHAIR NICHOLS: Very good. Thank you.

24 A couple of announcements before we get started
25 this morning. First of all, interpretation services will

1 be provided today in Spanish for the first item. The
2 PM2.5 State Implementation Plan for Imperial County.
3 Headsets are available outside the hearing room at the
4 attendants sign-up table, and can be picked up at any
5 time.

6 (Thereupon interpretation into Spanish.)

7 CHAIR NICHOLS: Gracias.

8 For safety reasons, please note the emergency
9 exits to the rear of the room. In the event of a fire
10 alarm, we are required to evacuate this room immediately
11 and go down the stairs and out of the building. When the
12 all-clear signal is given, we will return to the hearing
13 room and resume the hearing.

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

22 You don't need to read your written remarks if
23 you have them, because they will be entered into the
24 record automatically. And I think that's it for
25 preliminary announcements.

1 So we will begin with the first item on the
2 agenda, which is the PM2.5 State Implementation Plan for
3 Imperial County. And I understand that in addition to a
4 staff presentation on the SIP itself, we will also be
5 hearing about some of the broader air quality challenges
6 in Imperial County including impacts from sources in
7 Mexico and how those are being addressed.

8 Mr. Corey, would you please introduce this item.

9 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

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

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

21 The Clean Air Act includes a provision
22 recognizing that cross-border impacts of international air
23 pollution may cause violations of the standard. The 2018
24 PM2.5 plan for Imperial County includes a demonstration
25 that Imperial County will attain the annual PM2.5 standard

1 in 2021 absent pollution from Mexico.

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

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

10 Elizabeth.

11 (Thereupon an overhead presentation was
12 presented as follows.)

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

18 Beyond presenting the SIP and its requirements, I
19 want this presentation to emphasize the real reason we are
20 here today. We are here today to learn about an area of
21 the State that we do not often here about, an area
22 impacted daily by pollution from another country with the
23 highest asthma related hospitalization rate in the State,
24 an area where 25 percent of the population lives below the
25 poverty line, with a medium income of only \$16,000 a year.

1 Although these statistics may sound grim, there
2 is light at the end of the tunnel. And I would like to
3 spend most of the time discussing the efforts currently
4 underway to improve the air quality in Imperial County.

5 So let's gets started.

6 --o0o--

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

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

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

25 So let's begin with an overview of the Calexico

1 and Mexicali border region.

2 --o0o--

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

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

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

23 Border residents have to wake up in the morning
24 to air quality that looks like what you see in the photo,
25 and go to work and take their children to school knowing

1 that they will be breathing this air.

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

7 --o0o--

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

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

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

21 --o0o--

22 AIR POLLUTION SPECIALIST MELGOZA: As part of the
23 SIPs, CARB staff analyzed this pollution. Having a shared
24 airshed, together with a lack of reliable information on
25 the nature and extent of emission sources south of the

1 border, makes evaluation of potential and mitigation
2 efforts difficult.

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

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

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

23 To evaluate if ambient PM2.5 concentrations would
24 meet the PM2.5 standard by the 2021 attainment deadline,
25 staff conducted modeling to estimate future PM2.5 levels.

1 Results show that Imperial County would attain the
2 standard if those emissions from Mexicali were not
3 present.

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

10 --o0o--

11 AIR POLLUTION SPECIALIST MELGOZA: To reduce the
12 overall levels of pollutants in the valley, the district
13 plans to adopt rules, which would establish stricter
14 emission limits for NOx-producing boilers, steam
15 generators, process heaters, and residential water
16 heaters, as well as reduce ammonia emissions from
17 biosolids, animal manure, and poultry litter composting.
18 To help with PM2.5 emissions in the winter time, the
19 district is proposing a new rule that would reduce PM2.5
20 emissions through requiring that new wood burning devices
21 meet the cleanest levels available.

22 The district also plans to prohibit residential
23 wood burning when PM2.5 levels are forecasted to be
24 unhealthy in Calexico. These rules will help to reduce
25 local exposure to wood smoke emissions in Calexico.

1 These measures will reduce the overall level of
2 pollutants in Imperial, which are anticipated to have a
3 beneficial effect on public health. The district is
4 currently developing these rules, and will work with CARB,
5 EPA, the public, the environmental community, and industry
6 during the development of these rules.

7 --o0o--

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

16 It is unfortunate that the residents of Mexicali
17 have not had reliable air quality data to inform them
18 about the air they are breathing. To help with this, in
19 2014, a contract was established which began PM2.5
20 monitoring at two urban sites near the border in Mexicali
21 as can be seen in the picture.

22 This monitoring effort is very important, not
23 only to know more about Mexicali's air quality, but also
24 how the air quality in Mexicali impacts the residents in
25 Imperial and more specifically in Calexico.

1 Soon, CARB staff will begin to analyze the data
2 and identify possible sources that are impacting both the
3 Imperial and Mexicali monitoring sites. CARB plans to
4 extend the monitoring in Mexicali so more air quality data
5 can be collected, providing information on the impacts to
6 the residents in Imperial and Mexicali.

7 --o0o--

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

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

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

1 throughout the State.

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

6 --o0o--

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

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

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

23 --o0o--

24 AIR POLLUTION SPECIALIST MELGOZA: Through this
25 effort, CARB staff became aware that the IVAN community

1 PM10 monitors recorded very high PM10 concentrations that
2 were not captured by the regulatory PM10 monitors.
3 Currently, CARB's regulatory monitors have a threshold on
4 PM10 concentration levels, in which levels above 995
5 micrograms are capped. On one particular day, one of the
6 IVAN sites recorded a one-hour PM10 concentration near
7 3000 micrograms.

8 CARB plans to increase the regulatory monitor
9 threshold to be able to record these values, and are
10 investigating the possible sources. Right now, the
11 district is in the process of developing a PM10 SIP for
12 the 24 hour standard, which will need to address high PM
13 10 concentrations. It is very important that the full
14 level of the PM10 concentrations are considered and
15 included, so the public is aware of the true extent of air
16 they are breathing, and ensure that the appropriate level
17 of controls are being implemented by the district.

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

21 --o0o--

22 AIR POLLUTION SPECIALIST MELGOZA: These
23 photographs highlight some of the main PM air quality
24 concerns that residents in Imperial have raised. It is
25 important to acknowledge that residents are concerned with

1 the impact agricultural burning has on their health and
2 their children's health.

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

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

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

20 The Salton Sea continues to be a focus of concern
21 for residents in the Imperial Valley. As the water levels
22 continue to drop, the lakebed will become exposed and
23 become a potential new source of dust in the north part of
24 the county. CARB has been collaborating with other State,
25 federal, and local agencies since 2003 in the monitoring,

1 planning, and control of PM emissions at the Salton Sea.

2 CARB staff will continue working with these
3 agencies to establish the most effective controls to
4 mitigate the increase in exposed lakebed. International
5 ports of entry have very long wait times in both Mexicali
6 and Calexico, and vehicles idle for hours waiting to cross
7 the border.

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

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

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

23 --o0o--

24 AIR POLLUTION SPECIALIST MELGOZA: As mentioned
25 before, CARB has been working closely with Comite Civico

1 on their community monitoring effort. Our own Board
2 Member Assemblyman Garcia represents Imperial County and
3 is actively involved with the community, the Salton Sea,
4 and California and Mexico affairs.

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

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

15 --o0o--

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

24 The website allows residents to sign up to
25 receive email, text, or push notifications via the mobile

1 app when air quality in the region reaches unhealthy
2 levels. The district established a marquee at a highly
3 trafficked area of the county that shows the current air
4 quality. Also, local radio and television stations
5 display and discuss the AQI alerts in Imperial county.

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

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

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

18 --o0o--

19 AIR POLLUTION SPECIALIST MELGOZA: To improve air
20 quality and protect public health, it is imperative that
21 the district, CARB, and EPA continue to work with the
22 government and community in Mexico. Outlined here are
23 some of the programs in which the district, CARB, EPA, and
24 Mexico participate to ensure that progress is made towards
25 improving air quality in the border region. I will

1 quickly touch on a few of these efforts.

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

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

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

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

23 Lastly, the ProAire Program represents a
24 collaborative effort among federal, State, and municipal
25 governments in Mexico, along with industry and local

1 communities to improve the quality of life in Mexicali and
2 to reduce the risk of exposure to air pollution. In just
3 a moment, you will hear more about this program.

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

10 --o0o--

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

22 --o0o--

23 AIR POLLUTION SPECIALIST MELGOZA: In closing,
24 staff determined that the Imperial County PM2.5 plan meets
25 all applicable Clean Air Act requirements. The district

1 has committed to adopt new rules to reduce local source
2 emissions. Since local emission sources within Imperial
3 County may still contribute to unhealthy levels of PM2.5,
4 CARB will continue to work with the district to identify
5 additional strategies to reduce local emissions, and
6 thereby improve public health.

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

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

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

19 CHAIR NICHOLS: Thank you. Welcome.

20 DR. QUINTERO(through interpreter): Good morning.

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

23 Okay. Thank you.

24 DR. QUINTERO(through interpreter): Good morning.
25 I'm very grateful for the invitation to be here

1 representing CARB. And I'm here to explain the topic of
2 ProAire, which is similar to SIPs in California.

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

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

17 --o0o--

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

25 --o0o--

1 DR. QUINTERO(through interpreter): -- in the
2 left column showing some of the criteria of pollution that
3 we are evaluating right now. And the upper bar, you can
4 see all the municipalities. And in the case of Mexicali,
5 the PM2.5 generation is associated with the paved streets
6 and the agricultural burning. That's fundamentally.

7 There are other sources that don't appear in the
8 graphic but that are also important.

9 --o0o--

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

20 Once we analyze all the variables that we obtain
21 through the ProAire Program, we establish the activities
22 that will mitigate the air pollution in the city. We
23 established six strategies and 20 activities. And each
24 activity also comprises several actions. And we have a
25 budget to be able to fund each one of those actions.

1 If we look at activity number one, or strategy
2 number one, which are the reduction of emissions of the
3 fixed or stationary sources, the activity that we
4 highlight the most that is connected with the emissions of
5 PM2.5 is the reduction of the sand deposits, regulation of
6 the activities of the extraction of stone deposits, right.

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

9 --o0o--

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

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

23 --o0o--

24 DR. QUINTERO(through interpreter): Strategy
25 number three is the reduction of emissions from area

1 sources, which is also very significant for the pollution
2 caused by PM2.5.

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

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

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

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

14 --o0o--

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

25 Strategy number 5 is focused on communicating

1 about air pollution for the community, giving the
2 community information about this topic. We are actually
3 work on creating an app and an informational program that
4 benefit the children and youth in the city.

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

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

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

19 And finally, activity number 20 is actually
20 related to the follow-up and evaluation of all the
21 activities that I just mentioned. So for that reason, we
22 created from the very beginning when the program was
23 approved, what we call the Comite -- Nuclear Committee,
24 which has integrated people from several sectors of
25 society, which are doing the follow-up, their

1 corresponding area.

2 And this finishes my presentation, but I didn't
3 want to leave unsaid that we have been working
4 collaboratively with the colleagues of Imperial Valley.
5 And we've done that through these bi-national programs
6 that have been called frontera, or border, 21, 2020,
7 different numbers, which have been very useful to make the
8 border Mexican -- American-Mexican border healthier, and
9 not just in the air quality area, but not only on that
10 topic of the air quality, but also on other topics, such
11 as, for example, dealing with waste or water, and other
12 topics of environmental -- in the environmental area.

13 Thank you for your attention.

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

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

21 DR. QUINTERO(through interpreter): Lack of
22 resources is actually an issue. Precisely the place where
23 I work, the secretary where I work least resources to work
24 on these programs. That's why it's so difficult to
25 actually implement and do successfully all the activities

1 that we're explained in my speech, in my presentation.

2 CHAIR NICHOLS: Thank you.

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

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

11 I've been working with the air district for well
12 over 25 years, and for the past 10, have represented
13 Imperial County as the co-chair on the bi-national Border
14 2020 Air Quality Task Force. This committee is made up of
15 United States and Mexican government agencies, including
16 U.S. EPA, CARB, and Mexico's federal, state, and local
17 environmental agencies such as SEMARNAT, city department
18 of ecology and local government. Other members of this
19 committee include local residents and academics from both
20 sides of the border.

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

1 Plan.

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

11 As demonstrated in our SIP, the primary reason
12 for PM2.5 levels exceeding the federal standard in
13 Imperial County is the transport of emissions from Mexico.

14 Throughout the SIP development process, the air
15 district worked with CARB, U.S. EPA, the regulated
16 community, and all parties to prepare and address concerns
17 regarding the PM2.5 SIP. Our PM2.5 SIP process has been
18 very transparent, and the air district has gone beyond
19 required administrative procedures in an attempt to give
20 the community ample opportunity to comment and be part of
21 the process.

22 On April 5th, 2018, the air district conducted
23 two public workshops to collect comments on the SIP. The
24 first workshop was held in the morning in El Centro in our
25 offices, the APCD offices, while the second workshop was

1 held late afternoon in Calexico. For the Calexico
2 workshop we had translation.

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

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

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

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

19 CHAIR NICHOLS: Thank you. Okay.

20 Okay. Mr. Olmedo.

21 (Timer went off.)

22 CHAIR NICHOLS: Well, it's all over.

23 (Laughter.)

24 CHAIR NICHOLS: Here you go. Thank you.

25 MR. OLMEDO: Good morning. My name is Luis

1 Olmedo. I'm the Executive Director of Comite Civico Del
2 Valle. I'm from the Imperial Valley. I've lived -- I was
3 born in Mexicali. I've lived in Imperial Valley my --
4 most of my life. And our organization is focused on
5 public health, environmental health, environmental
6 justice. And following your direction, I'm probably just
7 going to read a little bit of my letter. But most of all,

8 I just do really quickly want to say that if you
9 look at this document about 60, 70 percent of it is
10 boilerplate. A lot of these prints could have just been
11 summarized or put on, you know, a couple papers. Probably
12 substantive, if you look at, if you flip through these
13 pages, probably about 10 percent is really substantive
14 material.

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

24 None of this is being referenced as to what are
25 we going to do more and go beyond in terms of regulations.

1 You know, the one regulation that keeps -- that is mostly
2 identified here as a new measure is wood stoves. I mean,
3 I don't know how many of you have been to the -- I know
4 some of you have been to Imperial, perhaps all of you. We
5 live in the desert. It's where the sun spends its winter
6 literally is our slogan.

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

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

20 But, you know, some of these deadlines, I mean,
21 we're promising things that are going to be happening in
22 Mexico. I mean, I think their presentation was -- seemed
23 to have more substantive actions and activities. So
24 ultimately, I just want to say that evaluating the
25 influences of air quality, the differences between the

1 U.S. and Mexico side and international border are most
2 pronounced in terms of emissions sources.

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

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

18 Thank you.

19 CHAIR NICHOLS: Thank you very much.

20 I believe that concludes the witnesses who wanted
21 to speak on this item.

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

1 to note that fact.

2 Any discussion or questions from the members?

3 Mr. De La Torre.

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

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

23 So it's a difficult thing. I'm very supportive
24 of this, but I think we need to be honest about the root
25 cause of what happens in that region.

1 CHAIR NICHOLS: Thank you. Other Board members?

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

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

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

23 So I -- I'm concerned, because I don't think that
24 many of the measures that are described on slide 14 are
25 actually regulatory. And I wanted to lift up Mr. Olmedo's

1 comment that we need to do as much as we possibly can on
2 the U.S. side. And I appreciate that the staff mentioned
3 the other programs that are coming forward. And I think
4 it's really important that they are maxed out, however you
5 want to technically say that, so that we get the best
6 benefit we can in the Imperial Valley.

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

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

24 CHAIR NICHOLS: I'd like to ask staff, if they
25 can address this issue of what kind of assistance they are

1 providing in Imperial, and what they might be capable of
2 doing to further that.

3 AQPSD DIVISION CHIEF BENJAMIN: This is Michael
4 Benjamin.

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

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

23 We've also been engaged with the Mexican
24 government through the California Mexico MOU looking at
25 strategies for reducing emissions, not just of some of the

1 sources that were referenced by Dr. Quintero, but also
2 mobile sources looking at opportunities for tighter
3 vehicle emission standards in Mexico, strengthening their
4 I&M program, and also looking at addressing climate
5 change. So we have had a long relationship working with
6 our Mexican colleagues, and also with U.S. EPA Region 9 in
7 securing grants.

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

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

23 And, you know, again, it was clearly stated at
24 the beginning. But just to underscore, you know, the
25 Clean Air Act is a limited tool in the sense that legally

1 the side of the border that we're dealing with here is
2 only responsible for the things that are within the U.S.
3 boundaries, and what happens on the other side is not
4 required to be addressed in the SIP.

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

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

24 So I'd like to specifically request that you come
25 back to the Board within a fairly reasonable period of

1 time, like, I don't know, 90 days or something, with a
2 suggestions about what we could do to move forward.

3 Dr. Balmes.

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

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

18 CHAIR NICHOLS: Thank you.

19 Yes. Senator Florez.

20 BOARD MEMBER FLOREZ: Yes. Thank you.

21 Just for -- I do have a question generally on
22 SIPs, but hopefully I'll return to that.

23 But on this specifically, you mentioned the
24 Mexico connection. How reliable is the data truly from
25 Mexico? In other words, you know, it seems to me looking

1 at this it was released in 2008, or something of that
2 sort. Is that the data set we're using? Because it's
3 2018 now, so I'm just wondering if we're using decade old
4 data, as we start to look at what we're comparing and how
5 we're complying?

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

10 For California and for Imperial Country proper,
11 we feel that that's a very robust data set. But you're
12 correct that we have, and I would have to say that Region
13 9 as well, has serious misgivings about the quality of the
14 air monitoring data and emissions inventory data in
15 Mexicali. And this is no offense to my colleague from
16 Mexicali, but I think there's acknowledgement on both
17 sides of the border that there are not sufficient
18 resources for them to develop very robust emissions
19 inventories, and a sustainable air monitoring network.

20 With that in mind, EPA Region 9 has actually
21 provided funding over the years for Mexicali to do a more
22 robust emissions inventory with the assistance of a
23 contractor. And likewise, the establishment of these two
24 air monitoring sites in Mexicali, again with the
25 assistance of a contractor.

1 We've also -- ARB staff have been working with
2 our Mexican colleagues for decades on trying to enhance
3 their institutional capabilities. And quite frankly, what
4 we have observed is that with every Mexican election there
5 is essentially a complete turnover in some cases of staff.
6 They have serious budget issues. And we have learned that
7 their air monitoring staff, for example, have gone many
8 months without being paid in some cases, yet have
9 continued to try to operate their sites.

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

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

22 The other question I have regards enforcement.
23 And so Imperial APCD has an enforcement protocol, AQMD has
24 an enforcement protocol, how do those match up? I mean,
25 are they comparable? Is one better than the other?

1 Should they be working together in a better way? Maybe
2 get your thoughts on that.

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

6 (Laughter.)

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

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

25 BOARD MEMBER FLOREZ: Okay. And just the last

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

14 Thank you.

15 CHAIR NICHOLS: Okay. Other Board member
16 comments?

17 Yes, Ms. Berg.

18 VICE CHAIR BERG: Thank you, Chair.

19 In looking at our presentation, one thing that
20 jumps out at me is I seem to be missing the chart that
21 shows me, you know, the statistics as to where we are
22 today, and where we're going to be going. And I assume
23 that that is probably because we're in an extreme
24 nonattainment situation, and not getting better, so we're
25 not looking at numbers.

1 AQPSD DIVISION CHIEF BENJAMIN: Actually, in
2 Imperial County proper, the -- it's -- we're in moderate
3 attainment status. The situation is -- primarily the
4 major problem in Imperial County is the status of
5 Calexico.

6 VICE CHAIR BERG: Right.

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

10 CHAIR NICHOLS: They meet the standards.

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

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

20 I really do appreciate Chair Nichols'
21 recommendation. Would highly support that. And because
22 of that recommendation, I'd be able to support the SIP as
23 well, because I do think this is an opportunity with the
24 community's involvement for us to be helpful, and also to
25 really put some effort into accelerating. Appreciate

1 staff's effort - as Mr. De La Torre pointed out this is
2 not an easy - and everybody else up here well. And so I
3 really do appreciate the effort.

4 BOARD MEMBER RIORDAN: Madam Chairman?

5 CHAIR NICHOLS: Yes.

6 BOARD MEMBER RIORDAN: I'd like to move then the
7 staff recommendation to approve Imperial County's PM2.5
8 plan as a revision to the California SIP.

9 CHAIR NICHOLS: Thank you. Moved by Mrs.
10 Riordan.

11 Seconded by?

12 VICE CHAIR BERG: Second.

13 CHAIR NICHOLS: Mrs. Berg.

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

19 (Unanimous aye vote.)

20 CHAIR NICHOLS: And opposed?

21 And abstentions?

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

1 imagined possible --

2 (Laughter.)

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

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

20 And after many, many years, that situation has
21 been, at least for the time being, I think, resolved.
22 That is the litigation has been resolved, and that there's
23 relative peace. But the Salton Sea is not in that
24 situation. The Salton Sea is still very much in
25 contention. And how that's going to be fixed is something

1 that's not exactly within the Air Board's jurisdiction,
2 but it is something that we have a very keen interest in,
3 and should be, I think, at least keeping an eye on, if not
4 finding ways to involve ourselves in it. Because
5 ultimately, as the sea gets smaller and the exposed area
6 gets bigger, it will be a bigger and bigger problem for
7 the people who live in that region.

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

12 BOARD MEMBER FLOREZ: Thank you, Madam Chair.

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

15 CHAIR NICHOLS: Yes.

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

23 And then I'd like to, within the context of that,
24 to give us how much more work is outstanding, given that
25 pause?

1 DEPUTY EXECUTIVE OFFICER KARPEROS: Senator
2 Florez, Kurt Karperos. I'll try to answer your question.

3 We've briefed you and the Board a couple of times
4 since we took the pause. I believe in the last briefing
5 that we gave you, we told you that in terms of the air
6 quality modeling, we were close but we didn't yet have
7 nailed down a set of strategies that would provide for
8 attainment for the spectrum of PM2.5 standards that face
9 the valley.

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

16 BOARD MEMBER FLOREZ: Okay.

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

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

1 expect, to try to understand what those sources are.

2 BOARD MEMBER FLOREZ: Okay.

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

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

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

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

24 BOARD MEMBER FLOREZ: Okay.

25 DEPUTY EXECUTIVE OFFICER KARPEROS: So we're

1 looking to see that from them in the next couple of weeks,
2 and then a public process from the district after that.

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

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

21 And number two is I'd like to see if staff could
22 go through the plan and report back to us prior to in June
23 on your opinion on kind of where we're at after that joint
24 convening, and more importantly how you feel about this at
25 the point in time. It's great to do all the work, but the

1 air district kind of rushes to close in June with very
2 little incorporation of what -- our work. That would be
3 concerning, because then we're right back where we were in
4 Fresno, which is let's send another plan to an EPA, and
5 let's let the EPA come back and say not good enough, not
6 thorough enough.

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

23 CHAIR NICHOLS: Thank you for the comment. And I
24 agree with you that we're at a point in the case of the
25 San Joaquin Valley, where we've spent a lot of time trying

1 to get an acceptable SIP, and we've heard a lot from the
2 district, of course, and much has happened that I think
3 has moved in the right direction, but nevertheless,
4 there's also a very high degree of concern I think on the
5 part of both our staff and many of the community groups
6 about whether the SIP is as good as it could be, and
7 should be, and needs to be.

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

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

19 EXECUTIVE OFFICER COREY: Yeah. I got the --
20 we've got the message. And I think I'd like to regroup
21 with the team in terms of steps, but the message in terms
22 of engagement, heavy level of engagement, at the district
23 level and the district's consideration of the plan, public
24 engagement, environmental justice, EJ involvement in that
25 process, as well as a touchpoint with this Board prior to

1 its consideration and action on the fall package. So I'll
2 circle with Mr. Karperos and work out what those
3 mechanics. But those will be the key themes that will be
4 reflected in terms of how we proceed.

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

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

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

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

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

25 AQPSD DIVISION CHIEF BENJAMIN: Chair Nichols?

1 CHAIR NICHOLS: Yes.

2 AQPSD DIVISION CHIEF BENJAMIN: This is Michael
3 Benjamin.

4 CHAIR NICHOLS: Yes.

5 AQPSD DIVISION CHIEF BENJAMIN: I just have a
6 suggestion.

7 CHAIR NICHOLS: Okay.

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

10 CHAIR NICHOLS: Yes.

11 AQPSD DIVISION CHIEF BENJAMIN: -- regarding
12 Imperial County.

13 CHAIR NICHOLS: Yes.

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

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

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

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

1 Okay. Thank you.

2 AQPSD DIVISION CHIEF BENJAMIN: Thank you.

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

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

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

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

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

1 to the introduction, Mr. Corey.

2 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

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

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

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

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

25 Daniel.

1 (Thereupon an overhead presentation was
2 Presented as follows.)

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

6 --o0o--

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

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

21 --o0o--

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

24 --o0o--

25 AIR POLLUTION SPECIALIST GARRETT: In 1988, the

1 California legislature directed the California Air
2 Resources Board to adopt regulations to achieve the
3 maximum feasible reduction in volatile organic compounds,
4 or VOC's, emitted by consumer products in order to meet
5 ambient air quality standards. CARB has been developing
6 and implementing the consumer products regulations for 30
7 years to reduce VOC emissions within California. Three
8 regulations have been adopted to establish requirements
9 for various types of consumer products. And two
10 regulations have been adopted to provide compliance
11 flexibility.

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

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

22 --o0o--

23 AIR POLLUTION SPECIALIST GARRETT: So what
24 exactly do we mean by consumer products?

25 Consumer products are defined as chemically

1 formulated products used by household and institutional
2 consumers. A few examples of consumer product categories
3 are listed on this slide. New products are constantly
4 being introduced on the market. And our job is to make
5 sure that those products are having the smallest possible
6 impact on California air quality, which can be a
7 challenging task.

8 --o0o--

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

15 --o0o--

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

23 The program also offers compliance flexibility
24 with emissions averaging an innovative product programs.
25 Staff reviews, approves, and carefully tracks these

1 reactivity scale, or the MIR scale.

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

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

12 --o0o--

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

21 We estimate the ROG emissions from the use of
22 consumer products constitute about 14 percent of the
23 statewide inventory, though the category we are addressing
24 today makes up less than a half a percent of total
25 California emissions. Because consumer products' ROG

1 emissions continue to grow, as California's population
2 grows, further reductions will be necessary in the future.

3 --o0o--

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

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

17 --o0o--

18 AIR POLLUTION SPECIALIST GARRETT: But work is
19 nowhere near done. Even with this progress, new lower
20 ozone standards are sure to require more emission
21 reductions from consumer products in the future.
22 Recently, we have been working towards our SIP
23 commitments, and have conducted a comprehensive three-year
24 survey of all consumer products sold in the state, our
25 most ambitious, and widespread survey to date.

1 We collected detailed information on product
2 sales and ingredients that will be used to update our
3 emission inventory, and help guide our future regulatory
4 development. We also conducted a technical assessment of
5 the 10 percent by weight VOC limit for multi-purpose
6 lubricant products. The result of that technical
7 assessment are the reason we are presenting regulatory
8 amendments to you today.

9 --o0o--

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

20 --o0o--

21 AIR POLLUTION SPECIALIST GARRETT: The category
22 has had VOC limits placed on it more than once over the
23 years, first with a 50 percent limit set in 2003. Then in
24 2008, the Board approved two technology forcing limits, a
25 25 percent limit set to come into effect at the end of

1 2013, and a 10 percent VOC limit that was set to come into
2 effect at the end of 2015.

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

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

18 --o0o--

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

25 The type of product that requires solvent and

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

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

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

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

24 --o0o--

25 AIR POLLUTION SPECIALIST GARRETT: With these

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

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

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

21 --o0o--

22 AIR POLLUTION SPECIALIST GARRETT: We wanted to
23 be sure that the 25 percent VOC content products do not
24 have some other unexpected negative attribute. So we
25 reviewed the formulations of the 10 percent compliant

1 is lower than the average PWMIR of the market share that
2 meets the 10 percent VOC limit.

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

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

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

24 --o0o--

25 AIR POLLUTION SPECIALIST GARRETT: Additionally,

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

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

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

19 --o0o--

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

24 --o0o--

25 AIR POLLUTION SPECIALIST GARRETT: The other part

1 of the proposed amendments we are presenting to day
2 pertain to method 310. Part of that amendment will be to
3 allow the method to be used in testing for this
4 alternative compliance option. Mostly method 310 is being
5 amended to include updates to reference method citations
6 and dates, to grammatical correction, and to include
7 reference methods for development and implementation of
8 standard operating procedures to be used with the
9 alternate compliance option.

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

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

20 --o0o--

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

25 Thank you for your time and consideration today,

1 Chair Nichols and members of the Board. We would be happy
2 to address any questions you might have at this time.

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

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

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

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

13 (Laughter.)

14 CHAIR NICHOLS: You're doing fine.

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

22 So we are actually not -- we are in -- somewhat
23 in opposition of the amendment as it is written. We feel
24 that a 10 percent VOC limit is obtainable. We've found
25 that we have product formulations that are -- meet the 10

1 percent VOC limit, also meet the 0.45 MIR, are cost
2 competitive in the market, and have performance and
3 appearance -- no real performance or appearance issues in
4 the market.

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

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

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

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

21 MR. PRICE: Somewhat opposed. As written, we
22 don't think it goes far enough with either or. We think
23 that we are really against removal of the -- we're against
24 the option of the 10 percent VOC not being allowed. We
25 think that it should be both. We are for the 10 percent

1 VOC option, because of the ability to make products less
2 hazardous in areas other than MIR --

3 CHAIR NICHOLS: I asked a questions, so you --

4 MR. PRICE: -- other VOCs.

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

8 CHAIR NICHOLS: I see.

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

10 CHAIR NICHOLS: Okay. Thank you.

11 Mike Freeman.

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

22 The reason we're able to do all of that is
23 because we have over 2000 uses for our one product. And
24 that's what makes us a little bit on the unique side.
25 It's a challenging when it comes regulatory reformulation

1 because our challenge is how do we maintain the 2000 plus
2 uses to all these audiences, and all these different trade
3 channels and places.

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

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

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

22 (Laughter.)

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

1 CHAIR NICHOLS: Thank you.

2 Is Mr. Bernarducci here?

3 Yes, there you. Okay.

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

11 (Laughter.)

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

15 (Laughter.)

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

24 I'm also here to support the amendment as I
25 mentioned, but more importantly to thank the CARB staff.

1 Their diligence and their strength in protecting our
2 environment and our air, but more importantly their
3 scientific courage to explore every option available to
4 the industry to meet CARB's goals.

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

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

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

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

1 right.

2 Mr. Raymond.

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

6 (Laughter.)

7 CHAIR NICHOLS: Okay.

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

14 (Laughter.)

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

19 All of these organizations support the staff's
20 proposal, using reactivity as an alternate option to the
21 10 percent VOC, limit for multi-purpose lubricants. Most
22 of these organizations have submitted prior comments. So
23 I'm not going to go over those. The use of reactivity is
24 truly a science-based concept. It has been proven by your
25 aerosol coating reg that was put in several, several years

1 ago. And the National Aerosol Association was the first
2 organization to support that reg. And I was here when
3 that was happening. And I had a lot to do with it.

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

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

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

24 Thank you.

25 CHAIR NICHOLS: Thank you. I don't think the

1 next speaker is going to either.

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

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

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

20 Our proud -- we are proud to have contributed to
21 the profound improvements that ARB has achieved in
22 improving air quality for all Californians. The
23 association represents companies that manufacture or
24 market multi-purpose lubricants. The category of products
25 contains a wide array of chemistries and technologies.

1 And our member companies have invested significant time
2 and resources trying to develop effective products that
3 meet the 10 percent by weight VOC limit.

4 However, there are cases within the category in
5 which this limit was not technically feasible. We commend
6 ARB staff concerted efforts to ensure all interested
7 parties had an opportunity to participate in an open and
8 transparent public effort to develop a challenging yet
9 technologically feasible reactivity-based alternative
10 compliance option.

11 It provides flexibility for manufacturers to
12 continue offering products with the performance that
13 consumers expect, while achieving ozone air quality
14 benefits that are equivalent to the 10 percent VOC limit.

15 The bottom line is the proposed amendment will
16 ensure that the ozone air quality benefits claimed in the
17 SIP are achieved. In conclusion, HCPA supports the
18 proposed amendments, and we will continue to work
19 cooperatively with stakeholders and ARB staff to identify
20 appropriate and feasible approaches for implementing ARB's
21 statutory mandate to protect the health and safety of
22 California residents and the environment.

23 Thank you.

24 CHAIR NICHOLS: Thank you very much.

25 That concludes the list of witnesses. So we'll

1 close the record at this point. Any Board member
2 questions or comments before we proceed?

3 Yes, Supervisor Roberts.

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

10 (Laughter.)

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

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

20 CHAIR NICHOLS: That's true.

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

1 positive way.

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

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

8 VICE CHAIR BERG: I'll second.

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

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

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

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

19 CHAIR NICHOLS: It looks like Mr. Freeman.

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

1 BOARD MEMBER EISENHUT: Thank you.

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

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

9 (Unanimous aye vote.)

10 CHAIR NICHOLS: Any opposed?

11 Abstentions?

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

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

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

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

24 CHAIR NICHOLS: Correct.

25 VICE CHAIR BERG: And because I have a fleet of

1 vehicles that are regulated --

2 CHAIR NICHOLS: Ah, yes.

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

5 CHAIR NICHOLS: Thank you for letting us know.
6 Is there anybody else who needs to do the same?

7 Okay. We all wish we had a fleet of trucks --
8 (Laughter.)

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

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

12 Kim, your name plate is over here.

13 All right. The next item on our agenda is Item
14 18-4-3, the proposed amendments to the heavy-duty vehicle
15 and Periodic Smoke Inspection Programs. California has
16 been a leader for a long time in reducing diesel
17 particulate emissions from all sources. Diesel
18 particulate matter is known to cause cancer. And in 1998,
19 the Board identified it as a toxic air contaminant. In
20 2000, the Board approved the Diesel Risk Reduction Plan,
21 establishing a strategy and a path forward to
22 significantly reduce statewide diesel particulate matter
23 exposure.

24 And accordingly, over the past two decades,
25 California has made great strides in reducing diesel

1 particulate emissions from the heavy-duty vehicle sector.
2 For example, we along with U.S. EPA, adopted tough PM
3 emission standards for new trucks that took effect in
4 2007. These standards, together with CARB's in-use
5 requirements, such as the Truck and Bus Rule, have lead to
6 the required use of diesel particulate filters on
7 essentially all heavy-duty diesel trucks operating in
8 California. That's a lot of filters.

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

13 Mr. Corey, would you please introduce this item.

14 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

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

25 These amendments are designed to ensure vehicles

1 continue to operate at low PM emission levels throughout
2 their functional lives. I'll now ask Jason
3 Hill-Falkenthal of the Mobile Source Control Division to
4 give the staff presentation.

5 (Thereupon an overhead presentation was
6 presented as follows.)

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

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

14 --o0o--

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

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

25 --o0o--

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

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

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

22 --o0o--

23 DR. HILL-FALKENTHAL: Black carbon makes up about
24 15 percent of diesel PM emitted from heavy-duty vehicles,
25 and can affect local climate and agricultural productivity

1 due to its influence on cloud formation and rainfall.

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

8 --o0o--

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

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

23 --o0o--

24 DR. HILL-FALKENTHAL: DPFs are highly effective
25 in removing toxic PM emissions from diesel vehicles. In

1 fact, DPFs reduce tailpipe PM emissions by over 98 percent
2 compared to engine-out emissions. However, without proper
3 care and maintenance, these systems can be severely
4 damaged rendering them in effective.

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

12 --o0o--

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

23 --o0o--

24 DR. HILL-FALKENTHAL: Two programs responsible
25 for monitoring in-use PM emissions in heavy-duty vehicles

1 are the HDVIP and the PSIP. These programs establish
2 opacity limits that vehicles must meet to legally operate
3 in California. The HDVIP permits CARB staff in
4 consultation with CHP to conduct road-side vehicle
5 inspections to check for excessive opacity emissions and
6 tampering.

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

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

16 --o0o--

17 DR. HILL-FALKENTHAL: The current opacity limits
18 were established in the 1990s, and are too high to detect
19 today's malfunctioning emissions control systems. In
20 fact, less than one percent of vehicles currently
21 operating in California have opacity levels above the
22 current limits. Vehicles operating with properly
23 functioning DPFs emit tailpipe emission -- opacity
24 emissions at or near zero percent. Even vehicles
25 operating with severely damaged DPFs have opacity levels

1 I'll discuss these proposed amendments in more
2 detail in the following slides.

3 --o0o--

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

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

16 The opacity limits vary for these vehicles
17 depending on the model year of the engine and the
18 emissions technol -- control technology used.

19 --o0o--

20 DR. HILL-FALKENTHAL: Staff is also proposing
21 PSIP smoke tester training requirements. Commercial
22 testers hired by a fleet to perform the annual testing
23 would be required to successfully complete a CARB-approved
24 training course. The California Council on Diesel
25 Education and Technology offers these courses through

1 community colleges throughout the State. Some fleets
2 perform their own opacity testing rather than hiring a
3 commercial tester.

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

9 --o0o--

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

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

23 --o0o--

24 DR. HILL-FALKENTHAL: In addition, staff is
25 proposing to give fleets the option of submitting OBD data

1 instead of performing the annual PSIP smoke test for
2 vehicles with 2013 model year and newer engines. The OBD
3 system monitors all engine and aftertreatment components
4 that can affect emissions. The OBD system can be a vital
5 tool to diagnose upstream engine issues early, and to
6 prevent damage to the aftertreatment systems downstream.

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

10 --o0o--

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

17 We heard some concerns from fleet owners about
18 this new testing requirement. And based on these
19 concerns, we believe some exemptions are appropriate in
20 specific situations. As 15-day changes, staff is
21 proposing an exemption to this testing requirement for
22 vehicles sold to brokers and dealerships, vehicles sold
23 out of state, vehicles sold for salvage, and vehicles sold
24 from a lessor to a lessee already in possession of the
25 vehicle.

1 Adding these exemptions would further align the
2 proposed PSIP testing requirement upon sale with the
3 light-duty smog check requirements, and make the
4 requirements more convenient for fleets without foregoing
5 emission reductions.

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

13 --o0o--

14 DR. HILL-FALKENTHAL: Based on roadside testing
15 data, staff estimates that about nine percent of the
16 heavy-duty diesel vehicles operating in California are
17 above the proposed opacity limits. The cost to fix --
18 repair -- the cost of repairs to fix vehicles that fail
19 the proposed opacity limits typically range from about
20 \$3,200 to \$7,400 depending on the severity of the problem.

21 In total, the proposed amendments are projected
22 to impose regulatory costs of about \$220 million between
23 2019 and 2025 with repair costs accounting for about 90
24 percent of the total projected costs.

25 --o0o--

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

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

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

21 --o0o--

22 DR. HILL-FALKENTHAL: Staff is asking the Board
23 to approve for adoption with proposed regulatory -- with
24 proposed regulatory amendments the HDVIP and PSIP as
25 presented today with 15 day changes.

1 The proposed amendments would help reduce PM
2 emissions from heavy-duty vehicles and improve air
3 quality, especially for people living in communities most
4 impacted by trucking.

5 Thank you.

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

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

25 And I guess I'd like to know what the thought is

1 on the part of the staff about how these programs would
2 work together?

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

5 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

6 Yes. Several people looked in my direction. I
7 think that was my clue.

8 (Laughter.)

9 CHAIR NICHOLS: Okay.

10 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

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

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

1 going on.

2 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

3 Yes, absolutely. We would analyze this
4 regulation in the context of the language that gets passed
5 by the legislature, and we would be fully prepared to make
6 whatever changes are necessary.

7 CHAIR NICHOLS: Okay. Thank you. All right.
8 Let's hear from Mr. Lewis. It's been a while.

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

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

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

1 states.

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

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

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

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

22 So you've got 350,000 trucks currently listed in
23 the trucker's database, and 5.8 million trucks in the DMV
24 database. We think on its face, you're going to put every
25 compliant fleet in the state out of compliance simply

1 because the data doesn't match your data.

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

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

17 And finally, this provision to do the test within
18 90 days of sale is not something that was workshopped in
19 the process, and it was kind of a last minute add. And we
20 don't -- there's nothing between your rule and the DMV
21 that's going to require DMV to not register a truck just
22 because a test hasn't been performed. So I don't know how
23 you're going to -- how you're going to make that happen.

24 So those are our concerns. Thank you for your
25 time.

1 CHAIR NICHOLS: Thank you. Thanks. Mr
2 Mr. Brezny.

3 DR. BREZNY: Good morning, Chair Nichols and
4 members of the Board. I'm Rasto Brezny. I'm the
5 executive director for the Manufacturers of Emission
6 Controls Association.

7 MECA members manufacture all the emission
8 controls that go on all mobile sources, including in-use
9 and new diesel trucks and equipment. Some of our members
10 manufacture after-market DPFs, which offer a pathway for
11 truck owners to maintain their vehicles in a cost
12 effective manner. Clean diesel technology that includes
13 diesel particulate filters has been required by the Diesel
14 Risk Reduction Plan since 2003, and has -- and DPFs have
15 been installed on all new trucks since 2007.

16 So that's why we commend ARB for revising the
17 opacity limits, for inspecting DPFs to be consistent with
18 the technologies that are on trucks today, and ensuring
19 that they work properly over their full useful life. MECA
20 members that supplied DPF retrofit devices have been
21 required to use opacity testing as a way to ensure
22 compliance with these devices in the field. And our
23 experience is that a five percent opacity limit is
24 certainly doable, and achievable, and repeatable using the
25 commercially available opacity meters that are available

1 today.

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

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

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

1 And thank for your time.

2 CHAIR NICHOLS: Thank you.

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

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

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

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

25 And you know, CARB doesn't have the money to do

1 the enforcement. It's -- I've talked to several people I
2 know in here and they've said that. And it's just
3 terrible.

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

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

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

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

25 Lower the limits. What's the cost of lower

1 limits here to industry? I mean, it's all estimates, just
2 as it was 10 years ago with the Truck and Bus Rule.

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

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

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

17 CHAIR NICHOLS: Thank you very much.

18 I'll extend your time for a minute, excuse me, if
19 you want to come back. You know, a 10 percent
20 noncompliance rate, if true, it is a very high compliance
21 rate for most of our regulations. So it's worth trying to
22 find out if it's true. But I guess the thing that's
23 bothered me the most in this particular area, and like
24 you, I have painful memories of going through the process
25 of getting the Truck and Bus Rule adopted and implemented.

1 But the thing that I recall from that experience
2 was that there were lots of complaints on the part of
3 truck owners and drivers about the filters. And, you
4 know, complaints about their manufacturing or about the --
5 whether they were working and all of that. And equally,
6 on the other side, there were comments that they would
7 work if they were being maintained in accordance with the
8 restrictions or the recommendations of the people who
9 build these things and install them.

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

15 MR. TORRES: The alternatives -- excuse me.
16 Thank you for allowing me more time.

17 CHAIR NICHOLS: Sure.

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

1 people that had trouble with them.

2 I mean, when the trucks were new, they're good
3 for three hundred thousand or four hundred thousand miles.

4 CHAIR NICHOLS: Right. This was the retrofits.

5 MR. TORRES: But once they hit that level, it's
6 extremely challenging to keep them running, because stuff
7 wears out.

8 CHAIR NICHOLS: Um-hmm.

9 MR. TORRES: You know, as back in '72 -- and
10 unfortunately I'm dating myself a little bit. Back in
11 '72, when we had the smog systems on our cars. Those
12 systems that people put on to help the smog --

13 CHAIR NICHOLS: Um-hmm.

14 MR. TORRES: -- they never really worked right.
15 And these early systems in these trucks never really
16 worked right. And they're still -- they're out there. I
17 mean, we have a few of them in our fleet, because we're
18 farmers in our fleet that we only use seasonally. But the
19 stuff we use year-round, we've been forced to buy newer
20 stuff and pass, and put the older stuff in, because you
21 can't run them a million miles anymore, and get the cost
22 effectiveness out of them. They're three to four hundred
23 thousand miles.

24 So, I mean, it's killed us in our -- in our
25 capital for running our businesses. It's extremely

1 challenging. And all we're going here is just more
2 regulation on business. And we don't need that here. I
3 understand. I'm a farmer. I'm all for clean air. I'm an
4 environmentalist, because I farm and I take care of the
5 birds and do whatever I can do. So I'm on both sides of
6 this.

7 But more regulation, more onerous regulation does
8 not help us at all. It just doesn't

9 CHAIR NICHOLS: Thank you.

10 MR. TORRES: And if there's a bill going through,
11 let the legislature take care of it.

12 Thank you for your time.

13 CHAIR NICHOLS: Thank you.

14 Will Barrett

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

1 protect public health.

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

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

17 Thank you very much for work on this important
18 program.

19 CHAIR NICHOLS: Thank you.

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

23 Coalition for Clean Air supports the proposed
24 amendments to the Heavy-Duty Vehicle Inspection Program
25 and the Periodic Smoke Inspection Program as they are long

1 overdue. As the staff report notes, large swaths of our
2 state fail to meet federal PM2.5 standards. And this is
3 especially true in the San Joaquin Valley and South Coast
4 air basins, and as we heard earlier today, the Imperial
5 County.

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

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

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

22 More stringent federal and State emission
23 standards, along with cleaner burning fuels, and diesel
24 particulate filters have made current opacity limits
25 obsolete. Yet HDVIP and PSIP have not kept pace, and

1 without updating will also become obsolete.

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

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

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

14 Thank you for your consideration.

15 CHAIR NICHOLS: Thank you.

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

20 This proposal does not work for agriculture.
21 One, because during the growing season, we cannot take our
22 equipment out of service. Harvest season alone is two to
23 three months long. In my operation, we have tomato
24 harvest going with our trucks running constant from --
25 through most of August, September, and through October.

1 And that doesn't count for planting and cultivation season
2 when we're moving equipment back and forth constantly day
3 and night.

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

14 Thank you.

15 CHAIR NICHOLS: Thank you.

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

24 Staff estimates 10 percent of the trucks are
25 operating with EPFs that are leaking or have been tampered

1 with, meaning the vast majority of truck operators are
2 performing the necessary maintenance and repairs just to
3 keep the trucks operating and on the road.

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

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

23 And so we'd ask the Board just to reconsider
24 whether or not we really need to impose this additional
25 reporting requirement on those likely already complying

1 with this rule, and continue to work on the broader
2 program to try to identify and really get at that 10
3 percent of gross emitters. So thank you for your time.

4 CHAIR NICHOLS: Thank you. Okay.

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

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

18 We're -- our experience with reporting, we've
19 done some under the Truck and Bus Regulation with mixed
20 results. We feel that this new reporting will add
21 approximately a half million records based on your staff
22 estimate, several millions of dollars annual cost for this
23 database. And we're just -- we're questioning whether it
24 will truly result in more compliance, as your staff
25 argues.

1 What we feel is it really will add additional
2 compliance burden to the companies that are making the
3 effort to comply, and not reciprocate if you're avoiding.
4 So we would appreciate your support in moving this off the
5 amendments.

6 Thank you.

7 CHAIR NICHOLS: Thank you.

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

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

17 I was one of the signatories to the series of
18 formal letters submitted by California Caterpillar dealers
19 throughout the workshop and Board process. The concerns
20 highlighted in those letters are primarily -- primarily to
21 oppose the fleet reporting and 90-day sale requirement.
22 These requirement will add unnecessary complexity and cost
23 to this regulation, and would do little to bring fleets
24 that have chosen to ignore the current regulation into
25 compliance.

1 With regards to the reporting requirement, as
2 highlighted by Mr. Lewis, when one takes into account the
3 distinct differences between DMV and CARB data systems, it
4 will not guarantee full reporting compliance, and indeed
5 make it more difficult for those fleets trying to stay in
6 compliance with the existing regulation.

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

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

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

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

1 market demand.

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

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

14 Thank you.

15 CHAIR NICHOLS: Thank you.

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

20 I'm president of Red Fox Resources located in
21 Oakland, California. Our company specializes in the
22 recycling of emission control components, such as diesel
23 oxidation catalysts and diesel particulate filters from
24 heavy-duty trucks and buses. Over the last few years,
25 we've recycled more than 14,000 diesel particulate filters

1 and DOCs.

2 I want to let the Board and staff know that these
3 emission control components contain precious metals, such
4 as platinum and palladium, which can be recovered through
5 recycling. I call your attention to this, because we
6 expect if the rule is passed, a number of DPF replacements
7 will increase. Owners should understand that their
8 emission control parts have significant recycle value,
9 which can help offset the purchase of a new component.

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

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

20 CHAIR NICHOLS: Great. Thank you.

21 Well, these things certainly shouldn't be thrown
22 away no matter what. There's going to be recoverable
23 material. So I guess the point is that if we were to get
24 a lot more being replaced, that would be good to highlight
25 that fact.

1 Okay. That concludes the list of witnesses that
2 I have, so I'm assuming that it's okay to close the record
3 at this point, which I will do.

4 So now this comes back to the Board for -- for
5 action. And I think there will be some questions. I'm
6 sure there will be. So why don't we just get the ball
7 rolling here. I'll look in this direction and see if
8 anybody wants to raise their hand.

9 Yes, Dr. Sherriffs, you are first.

10 BOARD MEMBER SHERRIFFS: Thank you. Staff,
11 thanks for your great efforts here. Thanks to everyone
12 who testified, helping clarify a number of the concerns.

13 One question on slide 17. Thank you for
14 highlighting the health benefits, because ultimately that
15 is what this is about. That's why we're doing this. And
16 I just want to clarify those premature deaths avoided.
17 That's an annual number.

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

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

22 DR. HILL-FALKENTHAL: Correct.

23 BOARD MEMBER SHERRIFFS: Okay. Great. Anyway.

24 That's a real number, a significant number. It's
25 a very important number, and thank you for highlighting

1 why this is important.

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

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

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

1 register. You can't operate. It's a very simple, simple
2 fix.

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

12 CHAIR NICHOLS: Thank you.

13 Mr. Eisenhut.

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

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

25 The Chair and Dr. Sherriffs referenced pending

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

8 And on a very small -- small note with regard to
9 the exemptions, I would suggest potentially including
10 family transfers to the list of inspection exemptions, and
11 some sort of perhaps 90 days, had there been an annual
12 inspection within - and I'm just throwing a number out -
13 90 days of the transfer that that annual inspection
14 would provide compliance.

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

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

24 CHAIR NICHOLS: Thank you.

25 Ms. Riordan.

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

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

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

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

25 So I think it's maybe a way of sort of pushing to

1 make people take it more seriously, if the feeling is that
2 they -- that they haven't been taken -- taking it as
3 seriously as we need them to.

4 Anyway, just a thought.

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

7 None.

8 Okay. Seeing none.

9 You want to respond on these issues about the
10 process?

11 MSCD MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH
12 CHIEF HEROY-ROGALSKI: Yes. Thank you.

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

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

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

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

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

23 You're blocked by my monitor here.

24 DEPUTY EXECUTIVE OFFICER CLIFF: I could stand
25 up, if that's helps.

1 CHAIR NICHOLS: No, I don't think so. I'll move.

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

7 Mr. Eisenhut.

8 BOARD MEMBER SHERRIFFS: Speedy.

9 DEPUTY EXECUTIVE OFFICER CLIFF: Very speedy,
10 yes.

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

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

25 But, in fact, what I learned is that the opacity

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

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

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

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

19 DEPUTY EXECUTIVE OFFICER CLIFF: Right, exactly.

20 CHAIR NICHOLS: Got it.

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

1 those opacity limits when we do those roadside
2 inspections.

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

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

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

22 So, you know, there is -- there is a significant
23 impact in that there will be, you know, requirements for
24 reporting at that time. And obviously, our goal would be
25 to make that as simple as possible.

1 I'd like staff to address anything I missed in
2 that, and maybe specifically on the exemptions that were
3 discussed.

4 MSCD MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH
5 CHIEF HEROY-ROGALSKI: Okay. Now, I'll go.

6 (Laughter.)

7 MSCD MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH
8 CHIEF HEROY-ROGALSKI: Thank you, Steve. That was
9 awesome. Okay.

10 (Laughter.)

11 MSCD MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH
12 CHIEF HEROY-ROGALSKI: So, first of all, we think that
13 the -- we think that the idea for an additional exemption
14 exempting family transfers from this 90 day
15 change-of-ownership requirement is an excellent one, and
16 we'd be happy to add that to the 15-day changes that we're
17 preparing. So that's fantastic.

18 Let me discuss a little bit the issue of data
19 compatibility. It's totally true that the system that DMV
20 has been operating for years in order to allow people to
21 register their vehicles wasn't designed specifically for
22 air quality enforcement purposes. And so there's -- so
23 the fields that are set up in there weren't set up with
24 that in mind. However, that data -- that whole system is
25 extremely useful for allowing us to enforce our rules.

1 And as the Board knows, and probably many folks in the
2 audience know, that's a big part of what's -- what was
3 behind the requirement in SB 1 to link truck and bus
4 compliance to vehicle registration.

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

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

20 But even in -- with the current situation, where,
21 yes, there's sometimes odd data in DMV, like maybe
22 somebody -- one -- one fleet might use one name when they
23 report to DMV, but give us a different name if they report
24 to us for opacity. But even with little anomalies like
25 that, this would still be a hugely powerful enforcement

1 tool. Because right now, if you think about it, if you
2 put yourself in -- imagine if you're an ARB inspector,
3 right, and you're trying to check, there's thousands of
4 fleets out there that are supposed to be annually testing
5 their trucks for opacity, and keeping these little slips
6 in a file somewhere. Can you imagine like how daunting
7 that task is to try to go out and physically check
8 everybody's files? It's almost -- like, it's impossible
9 really. I mean, I guess it's possible, but it would take
10 a lot of people a lot of time to do that.

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

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

23 And so it would be an extremely powerful tool if
24 all the fleets that were supposed to be doing this annual
25 testing would send in their information once, and then

1 send us copies of their opacity data, because it would
2 give us a really easy way to quickly screen for fleets
3 that are doing what they're supposed to versus those that
4 it looks like they're not doing what they're supposed to.

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

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

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

15 CHAIR NICHOLS: Thank you.

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

1 trucks are in compliance or not.

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

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

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

21 But mostly I'm just interested in having a
22 smoother path towards implementation than we've had in the
23 past with some of these kinds of rules. And I guess the
24 other thing is, I'd like to see spelled out -- and I know
25 it's going to take some time and more work, but I'd like

1 to see what this reporting actually looks like and how
2 burdensome it really is for people to comply with it. You
3 know there are ways you can do these things that seem like
4 they'd be reasonably streamlined. And there are others
5 that seem to me like they could be, in fact,
6 time-consuming, and difficult for people to live with; and
7 how we're planning on auditing these things as they come
8 in, so we really are able to check and see what's going
9 on.

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

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

22 Silence.

23 (Laughter.)

24 CHAIR NICHOLS: Mrs. Mitchell, another lawyer
25 here, I'm sure will --

1 (Laughter.)

2 BOARD MEMBER MITCHELL: Theis deafening silence
3 here.

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

6 CHAIR NICHOLS: Um-hmm, right.

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

11 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
12 Correct.

13 CHAIR NICHOLS: Um-hmm.

14 BOARD MEMBER MITCHELL: By 2023 --

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

18 BOARD MEMBER MITCHELL: Current requirement.

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

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

24 And as I understand now, they're required to keep
25 the records. And if CARB wants to audit that, the records

1 will be there for CARB to look at, is that how it is
2 working right now?

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

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

8 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
9 Correct.

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

13 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
14 Right.

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

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

1 you'll have them.

2 So from my perspective, and all the smoking
3 trucks we see in my district, I'm very much in favor of
4 lowering this opacity limit. I think that should be done.

5 And if there is a way to ease the burden of the
6 record keeping that we're hearing from, from our fleet
7 owners out there, then I would encourage our Chairman --
8 Chairwoman to work with -- work with our staff on a 15-day
9 change that might alleviate that burden. But I think we
10 need to kind of look closely at what that burden actually
11 is.

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

18 BOARD MEMBER EISENHUT: Record reporting.

19 BOARD MEMBER MITCHELL: Record reporting, yes.

20 (Laughter.)

21 BOARD MEMBER MITCHELL: Let's get that straight.

22 CHAIR NICHOLS: Timing-wise, the process here is
23 that if we adopt this -- adopt the resolution, adopt the
24 regulation today, there still is a 15-day comment period,
25 and then it gets brought back to this Board or no?

1 EXECUTIVE OFFICER COREY: If the Board acts,
2 based on the direction that is provided here, we would not
3 need to return to -- but here would be a suggestion that I
4 would have. So the Board votes today. We'd move
5 forward -- if the Board approves, we'd move forward with
6 the 15-day change language as suggested, and move forward
7 with finalizing the rulemaking package.

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

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

22 So I don't want to suggest that we want to kick
23 the can down the road. I'm really just trying to find a
24 way to make sure that we are doing this in the most
25 sensible way possible. And this opacity rule, in general,

1 has proven to be a poor substitute for what we really
2 need, which is a good inspection program. Nevertheless,
3 if we're going to have an opacity rule at all, it should
4 be something that's meaningful, and that can be enforced.
5 So I get it that, you know, it's a good time to fix this
6 thing up, if we can.

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

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

23 EXECUTIVE OFFICER COREY: A suggestion here. And
24 it really, just as you indicated, revolves around the
25 mechanics on the reporting provision, which will require

1 follow-on work with stakeholders. So my suggestion is
2 because there's lead time, as is noted by several, in
3 terms of when those reporting requirements would actually
4 be applicable well before then. In fact, by early next
5 year, we know if this bill went through the process.

6 CHAIR NICHOLS: Um-hmm

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

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

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

19 Ms. Mitchell has moved.

20 BOARD MEMBER MITCHELL: I made the motion.

21 CHAIR NICHOLS: You did. Sorry. Okay.

22 BOARD MEMBER RIORDAN: I'll second it.

23 And Mrs. Riordan seconded.

24 All right. Can we do this with a voice vote? I
25 think we can.

1 All right. All in favor please say aye?

2 (Unanimous aye vote.)

3 (Vice Chair Berg recused.)

4 CHAIR NICHOLS: Opposed?

5 None.

6 And no abstentions, except duly noted that or
7 advice chair Berg was not present.

8 And with that, I think we should take a break for
9 lunch. We have one big item to deal with when we get
10 back. But can we say that we can resume at 1:30 then?
11 And there will not be an executive session today. So
12 there will be no discussion at lunch other than about
13 people's summer vacations.

14 Thank you.

15 (Off record: 12:27 p.m.)

16 (Thereupon a lunch break was taken.)

17

18

19

20

21

22

23

24

25

A F T E R N O O N S E S S I O N

(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

1 sorry, 423 million.

2 The eligible mitigation actions listed in
3 appendix D and specified in the proposed plan are
4 primarily directed at funding heavy-duty scrap and replace
5 projects, such as clean freight and delivery trucks,
6 buses, and freight equipment.

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

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

17 And as you mentioned, California's allocation of
18 the nearly three billion national trust is about 423
19 million. Today, CARB staff is proposing a beneficiary
20 mitigation plan required by the mitigation trust
21 agreement. Throughout the public process, to develop the
22 beneficiary mitigation plan, many stakeholders requested
23 that funding be focused on zero-emission vehicles where
24 available, and low NOx everywhere else, which became a
25 guiding principle for the staff's proposal.

1 The funding proposed in this plan is consistent
2 with legislative direction in Senate Bill 92 and is
3 intended to complement the portfolio of clean
4 transportation investments being made by CARB, other State
5 agencies, and local governments.

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

10 Lisa.

11 (Thereupon an overhead presentation was
12 Presented as follows.)

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

18 --o0o--

19 AIR POLLUTION SPECIALIST WILLIAMS: Here's an
20 overview of my presentation. I'll provide some short
21 background information followed by the beneficiary
22 mitigation plan goals and priorities. Then I'll talk
23 about how this funding fits in with the rest of CARB's
24 heavy-duty funding portfolio before discussing staff's
25 proposal and concluding with our recommendations.

1 --o0o--

2 AIR POLLUTION SPECIALIST WILLIAMS: The
3 Volkswagen settlement stems from the automaker's use of
4 illegal software designed to cheat on emissions tests in
5 certain two and three liter diesel vehicles sold in the
6 U.S. These defeat devices resulted in oxides of nitrogen,
7 or NOx, emissions up to 40 times the legal limit. As part
8 of the settlement agreement, consent decrees were approved
9 by the court.

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

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

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

20 --o0o--

21 AIR POLLUTION SPECIALIST WILLIAMS: Both the
22 consent decree and subsequent trust agreements specify the
23 requirements of the trust. Wilmington trust is the
24 trustee. The documents specify the types of eligible
25 mitigation actions or projects that could be funded.

1 They're mostly scrap-and-replace projects for the
2 heavy-duty sector. They also specify the maximum per
3 vehicle or equipment funding amounts based on the category
4 and whether the eligible vehicle or equipment is
5 government owed or non-government owned.

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

13 --o0o--

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

25 Wilmington Trust disburses the funds directly to

1 project administrators to fund the eligible mitigation
2 actions, projects. So the money never comes to the state,
3 except for CARB's administrative costs.

4 CARB then conducts audits and reports to the
5 trustee semiannually.

6 --o0o--

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

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

24 All of this public input helped shape today's
25 proposal.

1 --o0o--

2 AIR POLLUTION SPECIALIST WILLIAMS: Next, I'll
3 talk about the goals and priorities for the proposed plan.

4 --o0o--

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

17 --o0o--

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

23 Many of those policies and drivers are listed
24 here. These are intended to improve air quality and cut
25 toxics exposure; transform California's fleet to

1 zero-emission and near zero-emission technologies across
2 all vehicle and equipment categories, including the
3 heavy-duty freight sector; and reduce petroleum
4 dependency. At the same time, we also need to ensure that
5 public funds benefit Californians living in communities
6 that are disproportionately impacted by air pollution.

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

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

16 --o0o--

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

22 --o0o--

23 AIR POLLUTION SPECIALIST WILLIAMS: The funding
24 proposed in the beneficiary mitigation plan presented here
25 today is intended to complement the portfolio of clean

1 transportation investments being made by CARB, other State
2 agencies, and local governments. Eight funding programs
3 shown here make up CARB's heavy-duty funding portfolio.

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

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

16 --o0o--

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

22 Our proposal includes funding for low NOx
23 combustion freight categories to ensure near-term NOx
24 reductions to fully mitigate the impacts caused by VW's
25 actions, and funding for zero-emission technologies to

1 accelerate their deployment in the heavy-duty sector and
2 make progress towards the state's long-term goals.

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

11 --o0o--

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

19 It's also important that at least 35 percent of
20 the funds benefit disadvantaged or low-income communities,
21 as required by SB 92. Many stakeholders from as far back
22 as our very first workshop have advocated for a focus on
23 zero-emission technologies where available, and low NOx
24 everywhere else. That has been a consistent theme
25 throughout the public process.

1 On the next several slides, I'll talk about each
2 of the project categories you see here, but I wanted to
3 also mention the reserve amount shown in the table. The
4 consent decree allows up to 15 percent of the State's
5 allocation to be spent on administrative costs associated
6 with implementing the projects, including the required
7 record -- reporting and auditing.

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

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

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

23 --o0o--

24 AIR POLLUTION SPECIALIST WILLIAMS: Staff
25 proposes allocating \$130 million to replace existing

1 transit, shuttle, and school buses with commercially
2 available zero-emission technologies. This allocation
3 would support early adoption of these technologies, while
4 reducing diesel's harmful impacts on children. Staff is
5 proposing that no more than 50 percent of the available
6 funds be spent on a single bus category. This is in
7 response to stakeholder concerns about one category taking
8 all of the funds and smaller fleets' ability to compete.

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

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

22 This goes for all of the proposed funding
23 categories. Staff estimates at least 50 percent of this
24 allocation will benefit disadvantaged or low-income
25 communities. It's important to note that each of the

1 project categories proposed here are intentionally not
2 fully defined. Full project implementation details will
3 be determined with public input in the phase following
4 beneficiary mitigation plan approval, which we hope will
5 start tomorrow.

6 --o0o--

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

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

21 --o0o--

22 AIR POLLUTION SPECIALIST WILLIAMS: Up next is
23 zero-emission freight and marine projects. Staff proposes
24 allocating \$70 million to fund the most cost-effective
25 zero-emission freight or marine projects. Vehicle or

1 equipment owners would apply for funding via competitive
2 solicitation with at least 75 percent of the allocation
3 benefiting disadvantaged or low-income communities.

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

6 --o0o--

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

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

22 Some stakeholders suggested we should allocate
23 more funding to cost-effective strategies like low NOx
24 engines, and other cleaner combustion technologies. We
25 think staff's proposal strikes the right balance, and we

1 will reassess the market after we have results from the
2 first round of funding.

3 --o0o--

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

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

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

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

25 Staff proposes these funds be administered

1 competitively and at least 35 percent of the allocation
2 will benefit disadvantaged or low-income communities.

3 --o0o--

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

7 --o0o--

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

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

20 --o0o--

21 AIR POLLUTION SPECIALIST WILLIAMS: Staff
22 believes that statewide implementation of these funds is
23 essential. This is the only program in CARB's funding
24 portfolio that is governed by a consent decree, and that
25 has a required NOx reduction target, making accountability

1 and accessibility crucial.

2 Implementing these funds on statewide basis would
3 streamline the accounting review and auditing by CARB as
4 required by the consent decree. It would also ensure
5 funding is available where the demand is greatest, and
6 would result in more competitive and cost-effective
7 projects.

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

17 --o0o--

18 AIR POLLUTION SPECIALIST WILLIAMS: As projects
19 are implemented, staff will develop metrics to evaluate
20 project performance and make adjustments as necessary to
21 meet the demand. In the case of oversubscribed and
22 undersubscribed project categories, staff proposes the
23 Executive Officer have the authority to reallocate up to
24 20 percent of the category's original allocation amount,
25 as long as the NOx mitigation target will be met.

1 During implementation, CARB will work with the
2 air districts to analyze alternate funding scenarios for
3 emissions benefits and alignment with the guiding
4 principles. Any proposed reallocation above 20 percent
5 would require Board approval.

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

9 --o0o--

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

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

20 --o0o--

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

23 --o0o--

24 AIR POLLUTION SPECIALIST WILLIAMS: In summary,
25 the plan before you today proposes a balanced investment

1 that fully mitigates the excess NOx caused by VW's
2 actions, and shows a commitment to long-term goals. This
3 proposal would accelerate zero-emission heavy-duty vehicle
4 deployments that are needed for a sustainable freight
5 future. Investing in these technologies today will help
6 bring down costs, so they become the cost effective
7 technologies of tomorrow.

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

12 --o0o--

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

16 Thank you.

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

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

24 BOARD MEMBER SHERRIFFS: Well, we'll see how
25 quick it is.

1 (Laughter.)

2 VICE CHAIR BERG: Oh, darn.

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

12 MSCD INNOVATIVE HEAVY-DUTY STRATEGIES SECTION

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

20 So from a fleet perspective, it's more helpful in
21 those cases to have the funding available when they're --
22 when they're ready to purchase a vehicle. In some cases,
23 the know when they're going to be purchasing, because they
24 have a -- they have a procurement schedule. And in other
25 cases, it's unexpected. They weren't planning to -- you

1 know, maybe their vehicle had a service issues, or they're
2 expanding their fleet or something like that.

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

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

12 BOARD MEMBER SHERRIFFS: Thank you.

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

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

20 MS. DARLINGTON: Hi. Thank you very much. This
21 is Christiana Darlington. I'm speaking on half the Placer
22 County Air Pollution Control District. We wanted to come
23 down to especially thank you for your staff and the
24 director's interest in making sure that we can combine
25 funds, especially funds from AB 923 for -- in order for us

1 to make matching requirements to replace automotive and --
2 excuse me, locomotive goals that we have in Placer County.
3 So in order for us to achieve that, we do need to combine
4 the funds. And we're very appreciative of the efforts
5 that have been made recently to make that happen.

6 Thank you very much and have a great afternoon.

7 VICE CHAIR BERG: Thank you for coming.

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

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

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

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

1 grant administration systems, and our extensive
2 stakeholder networks.

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

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

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

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

23 Finally, again, I just want to thank ARB for
24 consideration of these comments, and we look forward to
25 continuing our partnership with you on the successful

1 implementation of this program.

2 VICE CHAIR BERG: Thank you.

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

8 The Sac Metro Air District supports the proposed
9 beneficiary mitigation plan for the Volkswagen
10 environmental mitigation trust. Targeting reductions of
11 10,000 tons of NOx in California by focusing on near-term
12 combustion categories and long-term zero-emission
13 technology is smart and appropriate. We support the
14 guiding principles, the funding proposal, and the plan for
15 our partner districts to administer this program. We will
16 work diligently to bring Volkswagen NOx mitigation funds
17 into the Sacramento region to deploy zero and near-zero
18 emission technology.

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

1 Thank you for all your work.

2 VICE CHAIR BERG: Thank you very much for coming.

3 CAPCOA EXECUTIVE DIRECTOR ABBS: Good afternoon.

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

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

18 VICE CHAIR BERG: Thank you.

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

22 I want to expand on the effective use of funds,
23 whether Volkswagen cap and trade, Carl Moyer, or any other
24 funding source. And I know this probably doesn't apply to
25 the Volkswagen funding. But I wanted to give you an

1 example of how repowers and industrial ag repowers can
2 remove NOx and particulate matter.

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

12 This is a \$4.8 million Air Board funding project
13 with a five-year life. NOx will be reduced by 356 tons
14 and 2.5 PM by 15 tons for that five years. The equipment
15 will more likely -- more than likely work on additional 10
16 years equating to an additional 712 tons of NOx, 30 more
17 tons of PM, which means the total of 1,068 tons of NOx and
18 45 tons of PM in 15 years, with most of the work being
19 done in environmentally justice areas, disadvantaged
20 areas.

21 The air district has been waiting to draw up the
22 carts, but are waiting on funds from CARB to execute them,
23 which could have completed the project in four to five
24 months and been reducing six tons of NOx and a half ton of
25 PM every month.

1 Cost-effective projects with immediate reductions
2 are definitely where the available funds should be going.
3 Carl Moyer funds administration -- administrated by San
4 Joaquin Valley Air District, which is a competent, a very
5 competent air district we've been working with since 2006,
6 performing over 700 diesel engine repowers, providing a
7 massive amount of NOx and PM reductions, an average of
8 1200 tons of NOx, and 30 tons of PM annually, not counting
9 privately funded oil and ag projects, which don't affect
10 the air district, that also reduce.

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

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

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

17 MR. HEADLEY: Thank you.

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

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

25 You know, currently, the Air Board is funding 10

1 CNG replacements to electric buses in a city of only 17
2 square miles with an average of 200 riders per day, and 10
3 routes. A project like that does not really seem to be
4 very cost effective or meaningful.

5 The public image of zero-emission fleet is great.
6 But that same money could have been used in repowering 60
7 school buses for disadvantaged communities surrounding
8 that same area, which would see emissions reductions over
9 700 tons of NOx per year, instead of seeing just a couple
10 pounds per year going from CNG to electric.

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

24 Thank you.

25 MR. COATES: Hello, Chair Nichols and Board. I'm

1 Michael Coates mighty com[phonetic]. I'm here
2 representing today the Diesel Technology Forum,
3 not-for-profit educational organization representing
4 manufacturers, and suppliers of advanced diesel engines,
5 fuels, and emissions control technology.

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

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

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

21 Fully 71 percent of the total emissions reduction
22 benefits of the proposed plan will be derived from a
23 single category, the internal combustion engine freight
24 and marine, that will receive only 14 percent of the
25 funds.

1 The most cost effective near-term NOx reduction
2 technologies are not zero-emission technologies, but
3 advanced internal combustion engine technologies. Our
4 recent joint research with the Environmental Defense Fund,
5 which is highlighted in some of that material that you've
6 just got, verified that the most cost effective upgrades
7 make the biggest health impacts.

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

16 In addition, we also believe this proposal -- the
17 staff proposal is out of step with what Californians
18 really want. A recent public opinion poll conducted among
19 2000 Californians across the state confirms that its
20 vision for the future -- on the vision for the future
21 confirms that 7 of 10 Californians are not willing to
22 sacrifice proven near-term technologies for what could be
23 in the future. No reason that they can't have both with
24 some reallocation of funds in this program.

25 California has pushed hard to reduce emissions

1 from diesel engines to near zero and you should be
2 congratulated for those efforts.

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

5 Thank you very much.

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

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

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

23 The long-term outcome of investing in advanced
24 manufacturing will fill the missing link of this plan. It
25 will create inclusive job opportunities for low, middle,

1 and high schooled -- high skilled labor forces through ZEV
2 automobile component and R&D.

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

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

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

14 Thank you.

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

23 Using these funds is important, because funding
24 on this scale can accomplish things that are out of reach
25 for smaller investments. A move to zero-emissions

1 vehicles posted significant challenges at consumer and
2 end-user levels. These funds and this settlement allow
3 California, as a state, to overcome barriers that would
4 otherwise be borne exclusively by consumers and end-users.

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

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

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

21 The light transit vehicle infrastructure, which
22 includes a mix of electric vehicle charging stations and
23 hydrogen stations is part of a scalable solution that will
24 allow us to make zero emission the new norm. Together,
25 these actions will make a significant dent in our

1 greenhouse gas and pollutant output for years to come.

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

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

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

20 Thank you.

21 MR. BLUBAUGH: Good afternoon. My name is Tim
22 Blubaugh. I am with the Truck and Engine Manufacturers
23 Association, or EMA. EMA members manufacture heavy-duty
24 engines in medium- and heavy-duty commercial vehicles,
25 including those powered by near zero and zero-emission

1 technologies. The proposed beneficiary mitigation plan
2 before the Board today includes funding to incentivize the
3 deployment of many low NOx and zero emission technologies
4 for heavy-duty vehicles.

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

10 However, we would like to point out the
11 disconnect between the limited and targeted funding in the
12 mitigation plan, and the advanced clean trucks rule that
13 ARB is developing to require that manufacturers sell
14 zero-emission medium- and heavy-duty trucks. The Advanced
15 Clean Trucks Rule would mandate the sales of significant
16 quantities of commercial vehicles with class -- in class
17 2B and greater, including pickup trucks, vans, partial
18 delivery trucks, construction trucks, refuse trucks, and
19 even highway tractors.

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

25 We also support that ambitious goal. However, a

1 self-sustaining zero-emission commercial vehicle market
2 actually requires three critical elements: Available
3 vehicle offerings, fleets willing and able to purchase
4 those vehicles, and a charging infrastructure needed to
5 support the vehicles in service.

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

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

22 Thank you.

23 MS. HOLMES-GEN: Good afternoon, Chair Nichols,
24 members. Bonnie Holmes-Gen with the American Lung
25 Association in California.

1 The Volkswagen scandal was a terrible chapter in
2 air quality history that caused excessive pollution and
3 attacked the health of the public. And now we can't turn
4 back the clock and erase the damage that's already been
5 done, but we must make sure we do everything possible to
6 mitigate the full amount of excess pollution and more. So
7 we support the goal of the 10,000 tons of NOx reduction as
8 an incredibly important step forward.

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

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

21 I wanted mention a couple specific categories.
22 We applaud the efforts to fund the electrification of
23 school buses. Appreciate there's been a lot of discussion
24 about that lately, and we're very excited to have this
25 additional tranche of funding to protect children's

1 health. And appreciate the flexibility that's going to
2 allow school districts and transit agencies greater
3 opportunities to apply for this funding within their
4 procurement timelines.

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

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

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

17 VICE CHAIR BERG: Forty-five -- 45 seconds

18 MS. HOLMES-GEN: Okay. All right.

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

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

21 But we would like to see, of course as -- the
22 implementation move forward quickly. I guess we'll give
23 you till Tuesday to start, but maybe this afternoon, if
24 you get done early, so we want to see these benefits as
25 quickly as possible.

1 And I just wanted to mention on the reporting, I
2 know you have several -- several formats you're going to
3 be presenting information. I just wanted to make sure
4 that you plan to have publicly accessible information on
5 project expenditures, location, emission benefits, and
6 tracking of the benefits in disadvantaged communities. We
7 look forward to seeing that information publicly
8 available, so that we can track these milestones and make
9 sure that we are getting the benefits that we're -- that
10 we're planning for today, and that your Board intends to
11 get as quickly as possible.

12 Thank you.

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

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

24 CCA strongly supports funding for zero-emission
25 technologies when available and low NOx engines with low

1 carbon renewable fuels elsewhere. Residents in
2 communities that disproportionately suffer from the
3 adverse health impacts of dirty air need relief now.

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

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

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

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

22 Lastly, CCA applauds the investment in light-duty
23 ZEV charging stations in multi-family dwellings. If we
24 are to put five million ZEVs on the road by 2030, lower
25 income drives must be included.

1 Placing charging stations in multi-family
2 dwellings will be fundamental in making EV access a
3 reality for this important segment of drivers. Thank you
4 for your consideration.

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

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

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

25 California stands as a beacon of hope for those

1 who believe that strong, aggressive government action can
2 make a difference in people's lives, and move the needle
3 towards a safer future.

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

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

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

25 Thank you.

1 MS. TORRES PAWLING: Good afternoon, Board and
2 Chair. My name is Kristen Torres Pawling of the County of
3 Los Angeles, Chief, Sustainability Office. Our office
4 advises the Board of Supervisors, the 30 plus departments
5 that make up the County of Los Angeles governments and the
6 88 cities of the Los Angeles region, on a variety of
7 policy issues that make Los Angeles as a place more
8 equitable, prosperous, and healthy.

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

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

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

1 within the greater Los Angeles area.

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

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

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

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

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

25 (Laughter.)

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

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

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

24 And on top of that, we would like to thank you
25 for having hosted one of your workshops at the South Coast

1 AQMD in L.A. County, and would like to invite you to
2 continue doing so as we move into the implementation
3 process. So thank you so much for your time.

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

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

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

23 AQMD alone in their initial assessment estimated
24 that they needed a billion dollars a year by themselves.
25 They've publicly said that they've recalculated the

1 numbers and it's much more than that, possibly up to \$2
2 billion a years.

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

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

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

22 I just want to make that clear, I spoke to some
23 of you this week. And I don't think I explained that
24 correctly when we spoke. But if you spend \$90 million on
25 zero-emission trucks, you'll get about 1800 tons reduction

1 of NOx. If you spend \$90 million on near-zero trucks,
2 you'll get over 6000 tons. So there's obviously an
3 emission reduction benefit by reallocating some of the
4 money.

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

11 Thank you.

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

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

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

1 the staff to be doing that.

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

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

17 Thank you.

18 MR. PIMENTEL: Madam Chair and Board Members,
19 Michael Pimentel with the California Transit Association.
20 On behalf of our more than 80 transit agency members, I'm
21 here to show our support for the proposed investment of
22 \$130 million in zero-emission buses and supporting
23 infrastructure.

24 Last year, as this mitigation plan was being
25 developed, we wrote in and in fact met with many of you to

1 advocate for our ambitious ask of investing roughly \$300
2 million in zero-emission buses, trucks, and
3 infrastructure. The mitigation plan I think comes fairly
4 close to that. And it importantly was amended since the
5 discussion document was released to allow for investments
6 in charging and refueling infrastructure.

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

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

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

25 Thank you.

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

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

12 Thank you.

13 (Laughter.)

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

17 I first wish to sincerely thank CARB staff for
18 meeting with our industry at the start of drafting this
19 regulation. We left that meeting with a rather positive
20 outlook, sensing that our points were well received.
21 While we chose to focus primarily on school bus vehicles,
22 CARB staff appeared to grasp the benefits offered by
23 propane, and even suggesting some of the greater benefits
24 provided possibly by shuttle buses, and delivery trucks
25 when you factor in the vehicle miles traveled.

1 We articulated that propane is the single best
2 investment for NOx mitigation strategies, in the sense
3 that it simply pencils out for cost effectiveness. On a
4 dollar per NOx analysis, we provided a case where propane
5 offers a reduction of 1200 tons of NOx versus 365 tons of
6 NOx for electric with the same investment.

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

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

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

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

1 producing it.

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

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

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

24 On a final note, I would like to offer the City's
25 logistical and/or Rolodex support to ensure that a

1 sufficient number of public workshops take place in the
2 L.A. area. We strongly believe in the stakeholder input
3 process for local projects, and want to make sure that our
4 community is heard from.

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

7 CHAIR NICHOLS: Thank you.

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

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

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

25 Thank you.

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

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

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

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

1 serious about near-zero technology.

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

6 Thank you.

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

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

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

1 fungible funding that can support other programs.

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

7 Thanks very much.

8 DR. WALL:

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

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

23 And within our comments, we provide some
24 additional details that I'll spare you in talking about
25 now. But I would say on the light-duty side, we do see an

1 opportunity for additional potential funding, if there are
2 unspent funds, and the plan is on track to meet the NOx
3 reduction targets.

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

7 CHAIR NICHOLS: Thank you.

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

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

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

24 I just want to kind of confirm the answer that
25 you got from your staff on the question of first-come

1 first-served basis versus competitive procurements. For a
2 public transit agency, first-come first-served is
3 generally going to work better, not only because it better
4 aligns with the timing of the bus procurements, as Mr.
5 Christensen said, but also because it provides a greater
6 degree of certainty of the funding earlier in the process.

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

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

19 Thank you for your time and for the proposal.

20 MS. PHILLIPS: Hi. Kathryn Phillips with Sierra
21 Club California. I just want to underscore a few things
22 that have been said by your staff. And one of those is
23 that this is a balanced plan. I think that's important to
24 remember. It takes a lot of things into account and
25 balances it out very neatly.

1 It's also smart. It uses what is unexpected
2 money, or at least it was unexpected until a couple of
3 years ago, to accelerate a technology that's essential to
4 get to our clean air and climate pollution reduction
5 goals. It includes -- I want to point out it includes 130
6 million for electric buses, zero-emission buses of various
7 sorts. This is an indirect investment in reducing or
8 accelerating the -- and improving the technology for
9 zero-emission trucks.

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

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

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

24 Thank you.

25 MR. CAMPBELL: Good evening. Todd Campbell

1 representing the California Natural Gas Vehicle Coalition,
2 the place of Thomas Lawson. Thank you so much for the
3 time today.

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

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

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

16 What I'm debating about is the balance of this
17 plan. This plan is not balanced. You can have both. Tim
18 is right, you can have the cake and eat it too. You can
19 help districts, which by the way have no control over
20 mobile sources. They rely upon you, the Air Resources
21 Board, to help them out. They have to get creative to get
22 at mobile sources.

23 That's why we have Indirect Source Rules down at
24 the South Coast. And thank God we got two of five. We
25 are struggling, ladies and gentlemen, to get to

1 attainment. And there are real consequences if we don't.

2 So what I think the proposal here is make sure
3 you get the 10,000 tons. The LA Times article on Sunday,
4 which I'm happy to give to any Board member, gives me
5 strong concern. It's one manufacturer. But I will tell
6 you, the heavy-duty sector has a long way to go to adopt
7 zero-emission technology. And we know this, because of
8 our experience in the light-duty sector.

9 And the number one source of pollution is
10 heavy-duty trucks. Now, we have an administrative reserve
11 that's \$63 million, and staff has admitted we probably
12 won't spend all of that.

13 So maybe we should take a look at some of those
14 fundings and increase it to \$90 million, so that we make
15 sure we lock in the 10,000 tons that we need. Help the
16 districts out. Help breathers out. I'm actually quite
17 surprised by the environmental community's position on
18 this, because when I was in the environmental community,
19 we wanted to make sure that it was about public health.
20 And you can do both. Set aside \$323 million for
21 zero-emission technology and give \$100 million so that
22 people could breathe today. And that's what people want.

23 Thank you.

24 MR. CHAVEZ: Nicholas Chavez on behalf of the
25 California Association of School Transportation Officials

1 and the School Transportation Coalition.

2 We appreciate the inclusion of school buses in
3 the plan. As stated in the plan, the need for 4500 school
4 buses that are going to need a replacement. This plan
5 gives school districts the opportunity to replace their
6 old school buses with zero-mission vehicles, and allow the
7 students to breathe clean air.

8 Reducing the pollution children are exposed to
9 inside and outside of the bus, this plan will do that.
10 Every school bus takes over 30 cars off the roads and gets
11 the vehicle miles traveled by their student -- by their
12 parents gets those off the road as well.

13 And additionally, we also appreciate the changes
14 that were made to help school districts or help the three
15 industries competing for the 130 million in the
16 zero-emission transit school, and shuttle bus project by
17 capping that at 50 for every industry. It's -- it will
18 really help us in being competitive.

19 And we just look forward to working with staff
20 and the Board, and the implementation process. And in
21 closing, we really would like to thank the Board and staff
22 in their commitment and support for replacing school buses
23 throughout the State.

24 Thank you so much.

25 MR. BEEBE: I'm last.

1 CHAIR NICHOLS: I know.

2 (Laughter.)

3 MR. BEEBE: Hi. I'm Bud Beebe.

4 CHAIR NICHOLS: How did you get this honor?

5 MR. BEEBE: I'm the -- a senior advisor to the
6 California Hydrogen Business Council. That isn't on
7 there. I know it's a long name, and it's probably
8 representative really, because it's so long, because we
9 have really a broad coalition of people who support the
10 vision of zero-emission vehicles, not just in California,
11 but all over the world.

12 California Hydrogen Business Council is a broad
13 coalition. It's got people that do big projects. We do
14 small projects. We do fuel cell projects. We do
15 refueling projects. We have component suppliers from all
16 over the world, and especially here in California. So we
17 really are -- I guess, we need a little bigger space. It
18 should to be the California Hydrogen Business Council.

19 So since your staff is so good technically, and
20 since your process is so open, we have appreciated the
21 opportunity to work with them and with this opportunity to
22 incentivize zero-emission vehicles, as we go forward. And
23 thank you for this process.

24 It's been good, except hydrogen in California and
25 the fuel cell process really hasn't gotten much of this

1 money. And so our really thorn in our saddle is that
2 while we have been included in the discussions, we haven't
3 been included in the money. So we really appreciate you
4 looking at our March 2nd letter to the Board, in which we
5 include eight items that we'd specifically like the staff
6 and the Board to consider, as they go forward with this
7 specific proposal.

8 And really the issue here in this specific
9 proceeding is that the big NOx emissions come from the
10 heavy-duty sector. And the heavy-duty sector in
11 transportation is one place where hydrogen fuel cell
12 vehicles can really excel. You can have large vehicles
13 powered by fuel cells that can go long distances, or you
14 can have small vehicles that go long distances with a fuel
15 cell vehicle. So it's a space where we really belong.

16 I'd like to mention just a couple of the eight
17 items that we have in our letter. One of them is that we
18 fully support your direction of one-third of the
19 mitigation trust funds towards public transit. This is a
20 place that can really help our disadvantaged communities,
21 and fuel cell buses have been demonstrated in California
22 for over a decade.

23 Thank you for your consideration of that.

24 Also, we would hope that you'd direct additional
25 funding to refueling infrastructure. And we would urge

1 that -- I know, \$10 million seems like sort of a tail on
2 this large amount of money. But giving half of it to
3 battery-electric vehicles that already have over 200
4 million from the appendix C funding, and that have
5 socializable funding from electric utility vehicles seems
6 like you could put that 10 million just to electric -- or
7 to hydrogen vehicles.

8 We'd really appreciate it.

9 Thank you so much for your consideration.

10 CHAIR NICHOLS: Thank you. I believe that
11 concludes the list of witnesses. So at this point, we can
12 close the record on this agenda item, and we have a
13 resolution in front of us.

14 There's no other regulatory implications to this,
15 so we can just vote. But before doing that, I think it's
16 probably a good idea to make sure that everybody who has
17 additional ideas or wants to comment can do that. And I
18 know that Ms. Mitchell wanted to bring up one item.

19 BOARD MEMBER MITCHELL: I do. Thank you, Madam
20 Chair, and thank you, staff, for your hard work on these
21 proposals. What I want to mention first is the balance in
22 the plan, because it's heavily tilted toward the
23 zero-emission programs that we have. And I've been a
24 strong advocate and proponent of zero emission, as you all
25 know.

1 However, I want to mention that my district, San
2 Joaquin Valley, and some other places in the State are
3 right now very much in need of NOx reductions. And the
4 near zero category that we have here is allocated \$60
5 million out of \$423 million.

6 Some of that is the administrative cost, but 300
7 million is clearly allocated to zero emission. And I
8 think that with this strong need in our nonattainment
9 areas to reach federal attainment by 2023 and 2031, that
10 it would be a good idea at this time to maybe shift some
11 of this money, as has been suggested by some of our
12 speakers, to the near zero-emission category.

13 I know in the South Coast, our ultimate goal is
14 zero emission. We have participated in a number of pilot
15 programs to get to zero emission on heavy-duty freight.
16 But I would say that we have also considered that this
17 near-zero heavy-duty drayage truck program is an interim
18 step and much needed now.

19 And we note from what we have seen here that we
20 can get far more dramatic NOx reductions from near-zero,
21 and we can get them immediately, rather than waiting three
22 to five years until the zero-emission categories are fully
23 developed.

24 So I would propose that we could take \$30 million
25 from one of the other categories. And I'm going to

1 suggest that it could come from the zero-emission transit
2 school and shuttle bus program, which is allocated 130
3 million, and switch that money over to the near-zero
4 category.

5 The near-zero category is much more cost
6 effective than say electric buses and electric school
7 buses, both because of the higher price of the electric
8 school buses, and because of the lower annual mileage that
9 you will find in school buses. The freight traffic, the
10 freight drayage trucks, they're running far higher miles
11 than you would find with the school buses, which are
12 transporting kids sporadically.

13 And I think 100 million is still a very nice sum
14 to leave in that category. And I recognize that our
15 school children are a vulnerable population, and we need
16 to protect them. So I don't want to short change that
17 program. I think 100 million left in that program would
18 be sufficient.

19 CHAIR NICHOLS: Okay. I'm sorry. Go ahead.
20 It's -- really, you're making a proposed amendment to
21 the --

22 BOARD MEMBER MITCHELL: I'm making a proposed
23 amendment that we shift \$30 million out of the 130 million
24 allocated to -- in the first category to the near-zero
25 freight trucks and marine. That would bring that up to 90

1 million.

2 CHAIR NICHOLS: Okay.

3 BOARD MEMBER GIOIA: Madam Chair.

4 CHAIR NICHOLS: I mostly just want to put all
5 these ideas out on the table --

6 BOARD MEMBER MITCHELL: Okay.

7 CHAIR NICHOLS: -- so we can take a look at what
8 there is, and then decide, you know, how we're going to do
9 this procedurally.

10 Ron Roberts, and then Phil, and then Diane.

11 BOARD MEMBER ROBERTS: Okay. I have two
12 concerns. And the first of those I'm in agreement with
13 the previous comments. I don't know about the 30 million.
14 I'm not sure where that number came from.

15 I think, you know, this is a program that started
16 because we had a company that was cheating on NOx. And I
17 think right across the state, and I know in San Diego,
18 that's a major concern.

19 And the question -- I think, you know, we've got
20 this little scale here. And it's supposedly in balance,
21 and I'm not feeling that it is. There really -- it seems
22 to me the focus of this should be how can we reduce NOx.
23 And we've gotten away from that, because we're counting on
24 being technology driven, we're going to change the
25 technology. And my guess is that an extra \$50 million

1 here or there, I can calculate what the results would be
2 if I spent that on near-zero. I can't calculate what the
3 impact might be on technology-driven, because it's -- we
4 don't know. We don't know what effect that's going to
5 have.

6 And the larger vehicles right now from a
7 performance standpoint, I'm not convinced they're ready
8 for prime time. And, I mean, that with trucks and buses
9 and everything else. So, you know what -- you showed a
10 clever little cartoon that says everything is in balance,
11 and I'm not -- I'm not in agreement with the assumptions
12 that went into that cartoon.

13 I'd like to see more emphasis on reducing NOx.
14 And I think every part of this state is probably in need
15 of that. I know for our air district, absolutely certain.
16 And I know the difference, and the difference in the
17 cost -- we're contracting now for buses. We're going to
18 pay two to three times as much per bus. And you look at
19 the all the numbers that go into this, it's probably going
20 to be around a million dollars for electric bus. I'm not
21 talking about the stripped down bus.

22 I mean, we want -- if we take buses -- a complete
23 bus with all of the stuff that goes into a bus and the tax
24 that the State charges us -- some of you might be
25 surprised, but California on public transit, probably

1 school districts too, charges us tax for those buses that
2 we buy.

3 So the more expensive the bus, the more -- you
4 know, you're paying a premium. I mean, none of this makes
5 any sense to me, but it's -- to somebody, it must make a
6 great deal of sense.

7 I'd like to see us shift this model
8 significantly, so that we have a higher proportion of
9 money going into near-zero versus the stimulation of the
10 development of the zero -- we're going to get there, but
11 we're not going to get there in the really near term,
12 where we could be getting the benefits in a significant
13 way from these dollars.

14 The other thing I'm concerned about is just
15 proportionate share. I kind of heard that I think from
16 L.A. and other places. I mean, this is something that
17 occurred all over the state. And at the end of the day,
18 we've got these five buckets of money, but they should be
19 somehow proportionately spread out all over the state, so
20 we don't have areas where those cars have been operating,
21 and they've been adding to the NOx. And yet, we're not
22 going to get funds to those areas proportionate to what
23 was done there.

24 Now, whether you do that on population or if you
25 there's some other model, I don't care what it is, but at

1 the end of the day, there should be accountability,
2 because we're all -- the fact that we got this money was
3 based on what was happening all over the state. There
4 should be recognition within those areas we can have
5 one-third disadvantaged communities. No question about
6 that.

7 But it seems to me we've started by dividing
8 things up. We've started with assumptions about driving
9 technology, and we've lost sight of what we should be
10 doing. We ought to be doing the most effective manner of
11 reducing NOx. That's why we got this money.

12 And I think we've -- I think we've lost sight of
13 that in a way that it's not measurable. You know, we're
14 suggesting that an extra, it says 50 or 100 million
15 dollars put into zero-emission versus near-zero is going
16 to give us -- somehow that's going to drive the technology
17 quick enough to get us benefits that are going to exceed
18 what we would get. The lifetime of these buses for
19 instance is not that -- it's not that long.

20 You know, by the end of the life of -- if we
21 bought buses next year, I will guarantee you in the life
22 expectancy of that bus, you'll get more NOx reductions if
23 we went to zero-emission than if we change some of the
24 funding in zero emission versus making such a large change
25 funding in a near-zero from zero. So these are my two

1 concerns.

2 CHAIR NICHOLS: Okay. Supervisor Serna.

3 BOARD MEMBER SERNA: Thank you, Chair.

4 So I know there's probably a number of my
5 colleagues that want to chime in, so I'm going to be as
6 brief as I can here, and cover a number of points. First,
7 I want to thank Alan Abbs with CAPCOA for the commitment
8 that he stressed about the oversight on administration. I
9 had some questions as the representative for the five air
10 districts that aren't part of the three that are going to
11 be subject-specific administrators, of what's being
12 proposed. And I certainly had some questions about that
13 is -- it seems like a very unique situation. So I'm glad
14 to hear that the head of CAPCOA is underscoring that.
15 It's important at least for this member.

16 I also -- I don't see or hear, but we had a
17 representative from the Greater Sacramento Economic
18 Council, I think, rightfully remind this Board that
19 anytime we have an opportunity like this in front of us
20 it's important not to lose site of the fact that there is
21 economic development angle to this that I think is not
22 trivial. And so I wanted to thank Abigail Jackson for
23 making that point.

24 In terms of the substance of the proposal, I've
25 heard from two colleagues already about the prospect of

1 shifting some of the funding around. And I think the
2 point that Supervisor Roberts just made about the -- you
3 know, the underlying rationale for why we are here and the
4 need for perhaps more robust NOx reduction is one that
5 resonates with me. So I'm looking for to some other
6 contributions, more discussion from my colleagues on that
7 front. I'm not necessarily convinced that it should come
8 from the category that was mentioned earlier, the 130
9 million, in large part for zero-emission buses -- school
10 buses.

11 And then finally, when staff stressed what the
12 guiding principles are that really shaped this proposal,
13 there is -- I don't want to say it's passing mention, but
14 there is a mention at the top of that slide that we are
15 going to ensure that at least 35 percent of the funds are
16 going to benefit disadvantaged low-income communities.

17 What I didn't hear too much about, and I'd like
18 to hear perhaps a little more, is how are we going to do
19 that, and what is the check back with this Board to
20 monitor mid-stream progress. To me, that is such an
21 important part. It's all important, but that is an
22 especially important point for me, and I'd like to
23 understand it a little bit better than what has been
24 communicated today and in my briefings.

25 CHAIR NICHOLS: Thank you.

1 Ms. Takvorian.

2 BOARD MEMBER GIOIA: Okay.

3 CHAIR NICHOLS: I'm sorry. I -- you can work it
4 yourselves.

5 Okay.

6 BOARD MEMBER GIOIA: All right. First, I
7 appreciate all of the hard work that's gone into this. I
8 actually think this program, as it is, has reached a fair
9 balance. And I think there's been this discussion, and I
10 appreciate there's different opinions and priorities
11 around the state about how to invest these dollars. I
12 think it does come down to a question, and maybe we
13 interpret it differently, what does it mean to most
14 effectively reduce NOx emissions?

15 I think we're better off taking a little longer
16 to get greater NOx reductions by zero emissions. If you
17 think about it, you're saying well, let's get the NOx
18 reduction as quickly as possible. You're going to get
19 greater NOx reductions by waiting and implementing in a
20 little bit longer the zero-emission technology, and
21 especially in the transit and school bus category. I'll
22 vote every day for getting zero emissions for school buses
23 and helping, yes, drive the technology, which will work
24 hand in hand with out -- with our -- with our bus rule.

25 This is exact -- it is true that our investment

1 in buses is helping drive the technology, that the more
2 bus -- zero-emission buses that are purchased that cost
3 goes down. In fact, already the lifecycle cost of zero
4 emission buses is getting very competitive to the existing
5 buses, if you factor in, right, not just the purchase
6 cost, but the lifecycle cost of maintenance.

7 I think we can help tip the balance by keeping
8 the investment in that category, and maybe be a little
9 more patient and wait and get greater NOx reductions by
10 zero-emission technology.

11 So we're not talking that much of a time
12 difference, but we're helping achieve other objectives.
13 We'll get PM reductions, as well, we'll get broader
14 benefit by investing in the zero technology under the
15 balance as laid out in this plan.

16 CHAIR NICHOLS: All right. You're line. You're
17 in line. Yes, you're next.

18 BOARD MEMBER TAKVORIAN: Thank you.

19 So I agree with a lot of what's been said. And I
20 feel -- but I -- so I want to add just the pieces that I
21 don't think we've covered yet. One is, and I really
22 appreciate the staff's presentation, and the fact that
23 we're looking at long-term priorities, and long-term
24 health for the most impacted communities, and for our
25 state overall, and prioritizing significant investments in

1 those communities as well as the economic drivers that
2 Supervisor Serna mentioned.

3 I want to say that I -- and I know you said this,
4 but I'll say it again. Environmental justice communities
5 have said over and over and over and over again in every
6 hearing about -- both about this topic, but about every
7 other topic related to reducing emissions that they want
8 zero emissions. So this is our huge opportunity to move
9 that ball, and we have to take it.

10 So I feel strongly that this is -- we talk about
11 balance, but we're off balance. Disadvantaged communities
12 and impacted communities are very impacted. And so
13 balance isn't ensuring that everybody is getting the same
14 thing now, because we haven't been getting the same thing
15 for all of these decades.

16 So I feel strongly that we shouldn't move dollars
17 out of that category. And I understand the argument about
18 near-term reductions, but I actually have a question about
19 that for staff, and that is it seems to me that given that
20 we don't have the infrastructure for CNG for heavy-duty
21 that there's a time period here that we're going to need
22 to go through.

23 I understand that we need to develop the
24 infrastructure for zero emission, but we also need to
25 develop the infrastructure for near zero as well. So it's

1 not like we can put them in tomorrow. So there's a time
2 period for that. And I just wanted to make that point,
3 but want to ask staff about that as well.

4 So if you wouldn't mind responding to that, but
5 I -- I think it is a good plan, and a plan that helps us
6 to achieve more balance, but we're not there yet.

7 So thanks.

8 CHAIR NICHOLS: Does staff want to respond on
9 that particular point?

10 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

11 Yeah, we certainly -- I can respond to that a
12 little bit. Certainly, there is -- certainly there is an
13 infrastructure associated with both. I will say in -- not
14 just infrastructure, but also with natural gas. What
15 we're also trying to do is build in-state production of
16 renewable natural gas. And that's something that's in the
17 building process as well.

18 And so there is a time associated with that. I
19 will say in fairness the natural gas is a little easier to
20 wrap our heads around in terms of building that out than
21 it is on the electric case. But there is some of that as
22 we grow in both categories, yes.

23 BOARD MEMBER TAKVORIAN: I'm sorry, I had one
24 other question. The other is that it seems like it's also
25 a long time frame that if we take -- if we don't invest in

1 zero emission now, if we're' -- if we continue to invest
2 in near zero, that when we purchase these vehicles, we're
3 looking at 10, 15, 20 years before those change out. So I
4 just wanted us all to keep that in mind too, that this
5 isn't something that's going to -- that we can do for five
6 years, and then we can change to zero when that becomes
7 more available on the market.

8 Thank you.

9 CHAIR NICHOLS: Maybe I can piggyback on that by
10 asking what might be -- have been one of your questions,
11 which is, you know, we're looking at this fund of money as
12 a discrete fund, which we have to do. We have to make
13 decisions. But it doesn't exist in a vacuum. The Air
14 Resources Board is spending a lot of money in the area of
15 vehicle transformation.

16 So maybe we can ask staff to tell us where this
17 plan fits within the context of funds that are already
18 being spent to advance low NOx as a near zero as opposed
19 to zero.

20 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

21 Certainly I can share a little light again. This
22 is Jack Kitowski again.

23 That was part of the point of the -- that sort of
24 balance slide was to demonstrate that we have a variety of
25 different funding sources. We have a portfolio. No one

1 funding source does it all. We shouldn't expect any one
2 funding source to do everything, considering the
3 tremendous challenges we have. And certainly there's not
4 enough money for everything.

5 But in response to your specific question about
6 what funding is available, when you look at some of the
7 funding sources like the Carl Moyer Program, the AQIP
8 Program, those are funding sources that are focused on
9 near-term reductions maximizing the amount of near-term
10 reductions. And some of that is low NOx, some of that is
11 cleaner diesel than what they're replacing.

12 But we're spending -- we spent about \$300 million
13 last year on focusing on near-source reductions. That
14 would be both, you know, diesel and low NOx natural gas.

15 We would expect to spend about that same amount
16 next year when you tally it all up. And about 100 million
17 of that is on low NOx natural gas.

18 CHAIR NICHOLS: So that's without counting the
19 money that we're talking about here? That's not the
20 Volkswagen money.

21 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
22 Without Volkswagen. That's on that --

23 CHAIR NICHOLS: Okay.

24 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
25 -- on that balance -- on that -- there's about

1 300 million focused on the near-source funding pots on
2 that one side there. And of that 300 million with the
3 various funding sources, I think about a hundred million
4 was low NOx natural gas.

5 CHAIR NICHOLS: Which is not to minimize the need
6 for NOx reductions. It's just -- I'm -- we're just
7 talking about the balance so to speak.

8 Yes, moving down the line this way?

9 BOARD MEMBER BALMES: Chair, Nichols can I just
10 answer -- can I just --

11 BOARD MEMBER MITCHELL: Can I ask a question
12 along those lines?

13 CHAIR NICHOLS: Yeah, go right ahead. Sure.

14 BOARD MEMBER MITCHELL: But can those funds, like
15 AB 923 funds, they could also be used for zero-emission
16 school buses, right? They could be used for zero-emission
17 vehicles as well.

18 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

19 Yeah. What we've found and the way -- part of
20 the reason why we structured this -- and this discussion
21 is really good. It validates why -- you know, us
22 struggling for seven months trying to come up with a
23 proposal. This is not easy.

24 What we've found is the focus on the nearer term
25 reductions is a lot easier at -- at the more local level,

1 accompanying orders, five of these, or 10 of those. And
2 what we're trying to do on the zero-emission is really get
3 market transformation. And that ends up coming a little
4 easier or easier at the statewide level, which is why
5 we've tried to focus some of the low-carbon transportation
6 and some of these funds on the zero-emission, because that
7 market transformation needs those larger signals.

8 CHAIR NICHOLS: I'm going to go down to this end
9 here to -- which is you, Dr. Sperling -- no, Dr. Sperling.
10 Sorry. He is the end at the moment.

11 BOARD MEMBER SPERLING: I'm the end. The
12 left-wing end.

13 CHAIR NICHOLS: The left-wing right.

14 BOARD MEMBER BALMES: Hardly.

15 (Laughter.)

16 BOARD MEMBER SPERLING: Depending on -- depending
17 on how you look at, your perspective. So, you know, this
18 is a fascinating conversation here. And I sit here and,
19 okay, I'm a researcher. I thought, okay, is there some
20 way to come up with a formula, because, you know, look at
21 the breakdown, you say, okay, it does seem like there's a
22 lot of arbitrariness to it. There's an underlying
23 philosophy that, you know, as we just heard that we want
24 to accelerate market transformation. But, you know, there
25 are ways to estimate how soon we're going to see

1 electrification based upon volume, and learning, and
2 scale, and to, you know, look at the costs. And we could
3 bring that back and look at cost effectiveness. And, of
4 course, with the short term it's much easier to do that.

5 But at the end of the -- so I did sit down here,
6 try to craft what would this formula look like, and I have
7 to say I've never seen anyone try to do this kind of
8 calculation, because there's so much uncertainty in it.

9 So at the end of the day, yes, the staff proposal
10 has certain amount of subjectivity to it. Yes, it's
11 premised on a certain philosophy or kind of, you know,
12 goal. So at the end of the day, I'm fine with the
13 proposal, because --

14 (Laughter.)

15 BOARD MEMBER SPERLING: -- it's impossible --
16 it's impossible --

17 CHAIR NICHOLS: You don't -- you don't have an
18 algorithm for us?

19 BOARD MEMBER SPERLING: I was working on that
20 algorithm. And I concluded after much strain on my brain
21 that it's not possible to do. So, I mean, at the end of
22 the day, there is arbitrariness to it. And, you know, we
23 can argue about it at the margin, but no argument is going
24 to be definitively more correct or -- than any other,
25 so --

1 CHAIR NICHOLS: Okay. Thank you.

2 BOARD MEMBER SPERLING: I'm okay with it.

3 CHAIR NICHOLS: That's great.

4 Dr. Sherriffs.

5 BOARD MEMBER GIOIA: Even academia doesn't have
6 an answer for everything, right?

7 (Laughter.)

8 BOARD MEMBER SHERRIFFS: I was afraid to speak
9 after Dr. Sperling, but now it's okay, I can say it.

10 (Laughter.)

11 BOARD MEMBER SPERLING: I created lots of space
12 there for you.

13 BOARD MEMBER SHERRIFFS: Thank you. Thank you
14 for that.

15 Well, a couple of things. I think actually from
16 San Joaquin's viewpoint, this is a -- this is a pretty
17 well balanced plan. And thank you for boldly going where
18 nobody dare goes and --

19 (Laughter.)

20 BOARD MEMBER SHERRIFFS: -- making a commitment
21 where no commitment can be made. But, you know, having
22 said that, thank you, Ms. Mitchell, for reminding us all.
23 As far as South Coast and San Joaquin Valley are
24 concerned, there is no such thing as an excess NOx
25 emission decrease. We will take anything that you are

1 willing to give us, absolutely.

2 But that said, you know, I look at the -- I don't
3 know what category to take it from. And I look at zero
4 emission transit. I look at schools. I look at shuttle
5 buses. And although, they may not be the most cost
6 effective, well, they are very appealing, because they are
7 a driver of technology in many ways. There's a lot of
8 spill-over.

9 We are talking about the most vulnerable
10 populations. We're talking about kids and very important
11 direct health effects. And the third thing is those are
12 very visible places to spend the money. The public sees
13 that, and I spoke at the last meeting about branding.
14 And, yes, it's wonderful when you see these vehicles, you
15 know, clean air. And that's -- that's another important
16 benefit of that, because it educates the public, helps the
17 public understand that the money is being used, in fact,
18 to promote health.

19 So there are great deal of benefits in that
20 category. So I don't know where you're going to get us
21 the excess NOx reductions. We'll gratefully take them,
22 but thank you, staff.

23 CHAIR NICHOLS: I do want to just underscore the
24 fact, I know, it's -- it was put out at the very
25 beginning, but there was a number that this plan had to

1 hit. I mean, we cannot submit a plan that doesn't visibly
2 and Demonstrably achieve the tons that we have said are
3 what we suffered as a result of the Volkswagen scandal. I
4 just -- yes, of course, we need more, but it's not like
5 we're just weighing that as one factor. There is a bottom
6 line here, and then everything else has to be weighed on
7 top of that, if you will.

8 BOARD MEMBER BALMES: Chair?

9 CHAIR NICHOLS: Any other comments here?

10 Oh, sorry. Dr. Balmes.

11 BOARD MEMBER BALMES: Well, a couple things. As
12 the public health representative on the Board, I just came
13 back from San Diego, from the American Thoracic Society,
14 the professional meeting for pulmonary and critical care
15 physicians, scientists. And there was an interesting
16 study that came out of -- presented at that meeting, that
17 came out of a previously CARB-funded project, the
18 Children's Health Study in Southern California.

19 And they've shown over time in this study --
20 former doctoral student of mine, by the way --

21 (Laughter.)

22 BOARD MEMBER BALMES: -- that they've a reduced
23 prevalence of asthma in three different communities in
24 Southern California. I can't remember which ones off the
25 top of me my head. But those in the Southern California

1 Children's Health Study over time related to NOx levels.
2 There was a decrease prevalence of asthma.

3 And so, I'm pretty interested in seeing reduction
4 of NOx emissions sooner than later. I don't support Ms.
5 Mitchell's proposal to take the 30 million from
6 zero-emission transit.

7 But I would ask staff, because I am concerned
8 about disadvantaged communities, with regard to their
9 asthma burden and the exposure to NOx. When we talk about
10 the other sources of funding for near-zero-emission
11 vehicles, how much of that is going into disadvantaged --
12 you know, communities or protection of disadvantaged
13 communities, because I realize that heavy-duty vehicles go
14 in and out of these communities.

15 But I'm a little concerned that the zero-emission
16 vehicles that we all want to have, and I'm totally for the
17 major goal that Dr. Sperling says. You know, he's
18 comfortable with this plan getting to. I'm a little
19 concerned that that zero -- those zero-emission vehicles
20 aren't going to really benefit the disadvantaged
21 communities in the near term.

22 So I'm -- I'm just trying to weigh the long-term
23 goal of zero-emission vehicles, which I think everybody
24 support here versus the short-term NOx impacts. So it's
25 not just that the technology is going to take a while.

1 And I appreciate that natural gas infrastructure also
2 needs, you know, time to implementation. But the staff
3 has acknowledged it's probably shorter than the
4 infrastructure for zero-emission vehicles.

5 And I'm concerned that we won't get -- even
6 though I agree with Mr. Tavorkian that -- Takvorian that
7 every environmental justice group I talk to always wants
8 zero emission vehicles. But I'm concerned that we're
9 actually not going to be protecting them in the
10 short-term, while we wait for this.

11 CHAIR NICHOLS: So what's the question?

12 BOARD MEMBER BALMES: The question is from staff
13 how do we know either whether our current funding sources,
14 which were just outlined for near -- near zero-emission
15 vehicles, or the zero-emission vehicle technology that we
16 are proposing here, how do we know how much of that is
17 going to get to disadvantaged communities. I realize we
18 say we want 35 percent disadvantaged communities, but how
19 do we know we're going to get that.

20 CHAIR NICHOLS: Okay. Got it.

21 BOARD MEMBER GIOIA: Take it out of reserves
22 here.

23 CHAIR NICHOLS: Do you want to try to answer that
24 first and then I'll --

25 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

1 Yes.

2 CHAIR NICHOLS: Go ahead.

3 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

4 So your questions seems to span both the current
5 proposal and then existing programs. We do track --

6 BOARD MEMBER BALMES: It did.

7 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

8 We do track disadvantaged community spending in
9 our funding source. I will say some of them, like the
10 Carl Moyer Program, have a different definition. The
11 CalEnviroScreen definition is probably the most common
12 that this Board is familiar with. And so that's what we
13 use in most of them.

14 And we're getting disadvantaged community
15 allocation of about 50 percent in our mobile programs
16 today. And we're able to do that, and this will feed into
17 the answer of this existing one. Even though some of them
18 are like voucher -- are voucher programs, we're able to do
19 that. And the structure of the program is providing
20 adders. We have a variety of different tools we use that
21 we would also look at as we're going through the
22 implementation process of this to ensure that we give our
23 best estimate of how those could -- would meet. And we're
24 not shooting for 35 percent. We're committing to 50
25 percent in this funding.

1 And the other part of that answer is that all of
2 these categories we're doing in two installments. So we
3 have the moment to sort of reflect on how did it work?
4 How are the allocations? Is one oversubscribed? Are we
5 getting what we wanted in disadvantaged communities and
6 the other factors. And we have the ability to come in and
7 reassess. And we certainly -- the disadvantaged
8 communities is at the top of our list to monitor and
9 adjust for.

10 BOARD MEMBER BALMES: Thank you. That answered
11 it.

12 CHAIR NICHOLS: So, Senator Florez.

13 BOARD MEMBER SERNA: Yeah, but I had a -- I had a
14 twist on that. And that was just again when will this
15 Board have its first opportunity to hear back or see a
16 check in on our progress on that front.

17 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
18 We've committed to annual updates to the Board.

19 BOARD MEMBER SERNA: Thank you.

20 CHAIR NICHOLS: But we could probably get more
21 frequent updates, if we asked for them.

22 (Laughter.)

23 EXECUTIVE OFFICER COREY: Certainly can.

24 (Laughter.)

25 CHAIR NICHOLS: I bet we could.

1 CHAIR NICHOLS: Dean, you had your hand up for a
2 while.

3 BOARD MEMBER FLOREZ: Thank you. Actually, it
4 just leads right to I think what we should and that is we
5 should probably have quarterly updates on what's expended
6 and what isn't. Twenty percent from Mr. Corey, maybe we
7 should make it 80 or something that moves quicker and
8 faster. But it seems to fee me that the issue really is
9 the -- it's a tough one. I mean, this is not a -- this is
10 not an easy deal.

11 But then again, I think it's really about the
12 vision and one-time money, and what do you do with
13 one-time money? Do you, in essence, put it into the
14 budget, the normal process. But this is -- I think as we
15 began to talk about this way back, and I think it started
16 with buses, as I remember it right, you know, kind of
17 what's the big leap? It's going to be the same concept
18 when get to the ICE. You know, that's going to be the
19 same kind of discussion with are we looking forward, are
20 we looking kind of medium, and how to take advantage of
21 things.

22 I guess my -- it's tough because if you live in
23 the Central Valley, you want those immediate benefits.
24 It's super tough to walk away from those.

25 But at the same time, you know, I get Diane is,

1 you know, looking forward, and what do we do with one-time
2 money. So it leads me to my question, I guess, is how
3 much money is available for natural gas incentives in
4 totality beyond this item, so we can get a full flavor of,
5 you know, what is exactly available to -- can staff tell
6 us. Is this the only dollars available? Are there more?
7 What percentage of this money, even if asked and moved
8 would be, in some, sense you know -- what's available, I
9 guess, is the question?

10 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

11 Sure. Sure, I can run through some of the
12 more -- the larger funding sources. And I'll start with
13 the low-carbon transportation funding that the Board
14 adopted last year.

15 BOARD MEMBER FLOREZ: Okay.

16 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

17 And that had, I think it's, off the top of my
18 head roughly, \$180 million, for example, for voucher
19 programs.

20 BOARD MEMBER FLOREZ: Okay.

21 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

22 That voucher program is available for both zero
23 emission and for low carbon -- and for low NOx natural gas
24 engines.

25 In addition, we had some specific money just to

1 help assist the low NOx as part of that, and we had some
2 previous money that was left over devoted to low-carbon
3 transportation, or devoted to low NOx. So I think that
4 totals about another 14 million specifically only for
5 natural gas.

6 If you look at the Prop 1B program, which is in
7 its final tranche, that doesn't come to the Board every
8 year. But they're issuing their final set of funding in
9 that program. And that program had about two-thirds of
10 that final -- that final set of funding go towards natural
11 gas engines. Maybe it was three-quarters, somewhere
12 around there. It's about \$100 million --

13 BOARD MEMBER FLOREZ: Okay.

14 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
15 -- that went to that funding.

16 BOARD MEMBER FLOREZ: Okay.

17 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI: I
18 would also say that Board last month approved 617, the
19 local community funding. That funding goes to the air
20 districts to fund in a broad area. But legislatively, the
21 legislature directed that 40 percent of that funding could
22 go towards Prop 1B like programs. So that's another
23 hundred million dollars.

24 BOARD MEMBER FLOREZ: But that's a -- that's a
25 could go to. That's not a it will go to, right?

1 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
2 It's the district's choice on whether it goes
3 there or not.

4 BOARD MEMBER FLOREZ: Okay.

5 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
6 So the district would have the choice to spend --

7 BOARD MEMBER FLOREZ: Okay.

8 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
9 -- that funding.

10 BOARD MEMBER FLOREZ: So I have 180 million,
11 another hundred, then another hundred. So keep going.

12 (Laughter.)

13 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
14 As far as low NOx natural gas, I think -- I think
15 that's all I can think of off the top of my head.

16 BOARD MEMBER FLOREZ: Okay. So then --

17 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
18 If you want to add some others, there's CEC, and
19 there's M -- you know, local funding and some others.

20 BOARD MEMBER FLOREZ: Okay. I think maybe the
21 frustration then is -- and the reason I think I hear, and
22 rightfully so, the natural gas folks kind of looking at
23 the more immediate benefits in this pot of dollars is that
24 somehow these dollars that you've just mentioned, over
25 \$300 million or so, are really hard to get for -- they're

1 not as quickly accept -- you know, they're not as quick as
2 these dollars are.

3 So, you know, I think if there can be some way to
4 make these dollars quicker in this pot, and leave the
5 other pot alone, if these dollars here were quicker, maybe
6 this wouldn't be an item, because it would be plenty in
7 the pot. You'd just, I think, almost double than want the
8 ask is today.

9 So I'm just wondering what's the disconnect that
10 I'm having? Why are these funds that you've just
11 mentioned --

12 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

13 Well, I will say in -- in seven months of
14 outreaching different proposals, every constituent group
15 would like more funding for their particular pot. So I'm
16 not sure how else you'd like -- I could answer that.

17 BOARD MEMBER FLOREZ: Well, no, I mean, I think
18 the way to answer it, in my mind, is how much benefit in
19 terms of lowering what we're debating right now, which is
20 the dirty air, could be quickly moved forward if we put it
21 and made it more quickly available to this category? So
22 in other words, we're saying these dollars today could be
23 spent, and there's a bigger bang for the buck immediately
24 on air quality.

25 But these dollars here that you should mention

1 are actually larger, so why can't we work in tandem, why
2 can't these dollars get out as quickly as the pot that
3 people are arguing for today --

4 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

5 Well, I think they can.

6 BOARD MEMBER FLOREZ: -- with the same benefit.

7 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

8 I think I see your point. Let me -- let me try
9 this and see if I'm getting at the point. In many of
10 these, the programs that you're talking -- that we're
11 talking about, Carl Moyer Program, Prop 1B, these are
12 programs where we put out solicitations. And there is --
13 you know, there's funding that comes in. Fleets need to
14 come in. Fleets need to apply. You have to find
15 interest. What we're seeing right now, and the dynamic
16 that's at this moment is there's a new engine that's
17 available on the low NOx side in 11.9 liter, a little more
18 of the conventional truck size. And that's opening up
19 opportunities that weren't available in the natural gas
20 side before.

21 So we may start seeing, you know, more of the --
22 these other projects. We may start seeing more of them in
23 Carl Moyer Program, more in other categories than we are
24 now. But that engine is just now getting on the road.

25 BOARD MEMBER FLOREZ: Okay. Last question. I'm

1 sorry to dominate some of this conversation. But could we
2 get an update on that next meeting on what those types of
3 programs look like?

4 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

5 Like a comprehensive assessment of --

6 BOARD MEMBER FLOREZ: Yeah, a little more -- I
7 mean, yeah, because I think we're talking about this
8 particular pot, which the argument, I think -- or the
9 proposal on the table was, you know, rather tiny compared
10 to what's available for natural gas. So my worry is, is
11 that I sure like that 50 million that was -- that's on the
12 table. I really like 300 million more. But if 50 million
13 gets to work faster and reduces the air quality issues,
14 then I certainly like that much more than waiting for 300
15 million to be put to work over a longer period of time,
16 which never achieves what we could have done with 50
17 million today.

18 So, you know, if we can get 300 -- of the 300
19 million, we can get that work to start cleaning the air
20 then I'd feel a little bit better about this being
21 balanced. So that's it. I just hope -- and I think
22 updates would be good. One year is clearly not sufficient
23 to come back to the Board and tell us how we're doing.

24 I like the fact that Mr. Corey has some
25 discretion in pots that aren't going to be used. But as

1 the Chair knows, we've offered a lot of clean vehicle
2 buses to rural districts. And those rural districts move
3 rather slowly --

4 CHAIR NICHOLS: Um-hmm.

5 BOARD MEMBER FLOREZ: -- even though the money is
6 available. So, you know, I think we'd have to really
7 figure out how fast that money gets out. If it's not
8 being used, then I think we ought to use our discretion
9 and allow our staff to really see where we can move money
10 quicker and faster. So that's the end of my comments.

11 CHAIR NICHOLS: Well, that should be sort of an
12 overlay over this whole issue really is it's pretty clear
13 that this is complicated. There are a lot of different
14 pots of money. It's hard for us to even understand,
15 though much less people out in the communities who are
16 trying to figure out what could be available.

17 And so I think your suggestion, which is that we
18 really need to come up with a communications system that
19 allows people to see what's there, and what's being spent
20 would be a very useful project for many reasons, greater
21 transparency on that issue would give us a better chance
22 to manage the issue as well.

23 Mr. Gioia.

24 BOARD MEMBER GIOIA: Let me understand this
25 reserve category. How much of the reserve category do you

1 estimate to be administrative cost?

2 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

3 At this point, we don't have a firm estimate.

4 What we know --

5 BOARD MEMBER GIOIA: Range. Range.

6 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

7 What we do know is that the administrative costs
8 will be higher here than they are typically, because the
9 trustee is asking us to monitor for over 10 years. So we
10 do need to have that consultation with our implementing
11 agencies before we really -- but if you're forcing me to
12 put a range out there I would say --

13 BOARD MEMBER GIOIA: Yes.

14 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

15 -- 30 to 50 million dollars.

16 BOARD MEMBER GIOIA: How much?

17 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

18 Thirty to 50 million.

19 BOARD MEMBER GIOIA: Thirty to 50, because I was
20 contemplating if there's interest in wanting to at least
21 identify some funding for the immediate NOx reductions,
22 that doesn't impact what I think are the balanced category
23 of funds here is what would you feel most comfortable in
24 taking out of reserve to allocate toward that?

25 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:

1 Yeah. And there would not be -- we'd not have a
2 challenge with say 10 million would leave plenty of
3 cushion.

4 BOARD MEMBER GIOIA: Not more?

5 MOBILE SOURCE CONTROL DIVISION CHIEF KITOWSKI:
6 Well --

7 BOARD MEMBER GIOIA: Right. Right. Okay. So, I
8 mean --

9 EXECUTIVE OFFICER COREY: My suggestion on
10 that --

11 BOARD MEMBER GIOIA: Yes.

12 EXECUTIVE OFFICER COREY: -- Supervisor, would be
13 because of what we've been asked, which is really going to
14 translate into regular progress reports to this Board on
15 the implementation of overall funding, that would also
16 include where we stand on the reserve. And to Jack's
17 point, 10 million would be comfortable at this point. And
18 then we can do a status report in the future and see
19 where -- have a firmer assessment if there's more to work
20 with.

21 BOARD MEMBER GIOIA: So if we -- if --
22 assuming -- obviously, I don't know where we're going to
23 go on this. But if we did keep the other categories as
24 they are with you would not be uncomfortable with 10
25 million out of reserves for a low NOx -- for the immediate

1 NOx reductions?

2 EXECUTIVE OFFICER COREY: That's correct.

3 BOARD MEMBER GIOIA: Okay.

4 VICE CHAIR BERG: So, Chair Nichols, maybe this
5 is a good time. We can see how complicated this issue is.

6 CHAIR NICHOLS: Yes.

7 VICE CHAIR BERG: And I, too, as all my fellow
8 board members, have been struggling over looking at 14
9 percent of the plan producing 70 percent of the
10 reductions. Why don't we do a little bit more. But I've
11 really come to the conclusion with all of this comment
12 that staff has, and specifically our Executive Officer
13 has, the needed flexibility. I think I'm hearing very
14 clearly from the Board that there is great interest in
15 increasing our additional reductions from low NOx, and
16 that given the flexibility, and given the fact that you'll
17 come back to us -- did we decide when? Not within -- I
18 mean, sooner than a year.

19 EXECUTIVE OFFICER COREY: At least twice, and
20 after we get the solicitations out. It wouldn't be
21 quarterly starting today, because in a quarter, there
22 wouldn't -- we wouldn't have anything to report on.

23 VICE CHAIR BERG: We wouldn't have much to
24 report.

25 EXECUTIVE OFFICER COREY: But we're in the 2019

1 quarterly reports my suggestion would be two appearances
2 before the Board and two memos. But we can work that --
3 those details out. Quarterly status reports.

4 VICE CHAIR BERG: My sense, Ms. Mitchell, is
5 that, if you're comfortable, that we move the resolution
6 as proposed with staff with the direct understanding that
7 additional funding out of these categories that are not
8 being met will go towards the low NOx up to additional 30
9 million. So, for example, out of the reserve, if there is
10 additional, that would go to the low NOx first, and
11 getting a report back. That if staff feels that there's
12 any reallocation, that the direction is from the Board
13 that the low NOx takes priority.

14 CHAIR NICHOLS: Are you -- did you say yes or no?

15 BOARD MEMBER MITCHELL: I didn't say anything
16 yet.

17 CHAIR NICHOLS: Oh, okay.

18 BOARD MEMBER MITCHELL: So one concern is that,
19 you know, the zero-emission programs are, for the most
20 part, going to be long term. So how -- how easy will it
21 be for us to know whether there's going to be additional
22 money?

23 CHAIR NICHOLS: Can I just say we keep using long
24 term as though we meant it was going to -- the money was
25 going to take longer to put out. I don't think that's

1 correct.

2 I think the issue here, and it tends to get
3 confused, is that if we think that -- if we believe as the
4 critics -- or let us just say there's rivalry here, you
5 know, that the zero-emission buses are going to take
6 longer to appear than -- you would say that's a longer
7 term program. But the money actually is needed right now
8 for every one of these. They all want the money today.
9 And there are people who could receive the money today.

10 BOARD MEMBER GIOIA: Right, and spend it.

11 CHAIR NICHOLS: So the real issue is when does
12 the zero start to take off as being more viable and the
13 costs start to come down because there are more of them.
14 And people are more used to them, and so forth, so that
15 you get the benefit faster than is predicted, depending on
16 what you believe about what's likely to happen.

17 My experience so far in looking at the light-duty
18 area is that the technologies are emerging faster than
19 anyone thought they were going to. Now, that doesn't mean
20 they're as fast as we want them to, and there will be
21 setbacks as we've seen. There have already been -- there
22 have already been setbacks.

23 But at the same time, you're really being asked,
24 I believe, by the communities -- and I don't think they're
25 being -- I don't think they're asking for champagne when

1 they should be happier with, you know, white wine. I
2 mean, I think what they're -- the issue here is --

3 (Laughter.)

4 CHAIR NICHOLS: -- that if it's zero, it's zero.

5 BOARD MEMBER GIOIA: Right.

6 CHAIR NICHOLS: And if it's not, it's not. And
7 when you invest in something that gets you a little
8 benefit now, it's a little benefit, and that's good. But
9 it's all you're going to get ever. Whereas if you invest
10 in the zero --

11 BOARD MEMBER GIOIA: Right.

12 CHAIR NICHOLS: -- it's really going to be zero.
13 And that's what makes this so hard. Everybody wants the
14 same things, and we just have to try to do our best to
15 decide how we get there as quickly as possible.

16 So I'm hopeful that we can pass this resolution
17 as is, and monitor carefully what's going on, all of us.
18 And if we see that we're not getting to where we need to
19 go, because there's been a faltering in the technology, or
20 because people didn't come forward with requests for the
21 funding, and just didn't -- they couldn't spend the money,
22 then, by all means, we'd better not leave it languishing.
23 I think we would be in big trouble not only morally, but
24 with our -- with the funding source at that point.

25 BOARD MEMBER GIOIA: I will move adoption of the

1 resolution as is, with direction if -- for reg -- for the
2 regular reports. And if there is an evaluation of use of
3 reserve funds to evaluate that, and take that back to the
4 Board.

5 BOARD MEMBER TAKVORIAN: So I would second that,
6 but I would like to add in Senator Florez's idea that we
7 have the report back on all of the dollars that are being
8 spent, so we have a comprehensive view of it, because
9 my -- yes, that's it. Stop.

10 CHAIR NICHOLS: Okay. So we now have a motion
11 and second in front of us.

12 Do people want to do a voice vote on this one or
13 do you want to do it, you know --

14 BOARD MEMBER MITCHELL: Roll Call.

15 CHAIR NICHOLS: Roll call?

16 BOARD MEMBER MITCHELL: Yes.

17 We'll have a roll call then.

18 Madam Clerk, would you please call the roll.

19 BOARD CLERK McREYNOLDS: Dr. Balmes?

20 BOARD MEMBER BALMES: Aye.

21 BOARD CLERK McREYNOLDS: Mr. De La Torre?

22 BOARD MEMBER DE LA TORRE: Aye.

23 BOARD CLERK McREYNOLDS: Mr. Eisenhut?

24 BOARD MEMBER EISENHUT: Aye.

25 BOARD CLERK McREYNOLDS: Senator Florez?

1 BOARD MEMBER FLOREZ: Aye.
2 BOARD CLERK McREYNOLDS: Supervisor Gioia?
3 BOARD MEMBER GIOIA: Aye.
4 BOARD CLERK McREYNOLDS: Ms. Mitchell?
5 BOARD MEMBER MITCHELL: No.
6 BOARD CLERK McREYNOLDS: Mrs. Riordan?
7 BOARD MEMBER RIORDAN: Aye.
8 BOARD CLERK McREYNOLDS: Supervisor Roberts?
9 BOARD MEMBER ROBERTS: No.
10 BOARD CLERK McREYNOLDS: Supervisor Serna?
11 BOARD MEMBER SERNA: Aye.
12 BOARD CLERK McREYNOLDS: Dr. Sherriffs?
13 BOARD MEMBER SHERRIFFS: Yes.
14 BOARD CLERK McREYNOLDS: Professor Sperling?
15 BOARD MEMBER SPERLING: Aye.
16 BOARD CLERK McREYNOLDS: Ms. Takvorian?
17 BOARD MEMBER TAKVORIAN: Aye.
18 BOARD CLERK McREYNOLDS: Vice Chair Berg?
19 VICE CHAIR BERG: Aye.
20 BOARD CLERK McREYNOLDS: Chair Nichols?
21 CHAIR NICHOLS: Aye.
22 The motion passes. 12 to 2.
23 CHAIR NICHOLS: Okay. Well, good discussion.
24 I'm proud of all of us. And I want to thank everybody for
25 their participation, both those who appeared to speak and

1 the Board members themselves. There's a very high level
2 of interest here, and hopefully we can keep after it.

3 All right. We do have a public comment period
4 with two people who have signed up to speak in the open
5 public comment on any topic they care to speak on.

6 They both want to talk about the Clean Vehicle
7 Rebate Program. And in the order that I received them,
8 they were Divya Sundar and Angie Wei.

9 MS. SUNDAR: Hi, Chairperson Nichols and Board
10 members.

11 CHAIR NICHOLS: All right.

12 MS. SUNDAR: My name is Divya Sundar. And I'm
13 here on behalf of the United Auto Workers to speak about
14 the fair and responsible certification procedures for the
15 Clean Vehicle Rebate Project. As you know, last session,
16 the legislature passed AB 134, which among other things
17 required that manufacturers be certified as fair and
18 responsible in the treatment of their workers for their
19 vehicles to be eligible for the CVRP consumer rebate. The
20 legislation directed labor agency and CARB to develop the
21 procedures for certifying manufacturers as fair and
22 responsible.

23 This week, the agencies released a concept paper
24 detailing potential procedures for the fair and
25 responsible certification.

1 The UAW would like to recognize the importance of
2 the CVRP program and congratulate CARB on developing a
3 policy concept that we see as both enforceable and
4 practical.

5 ZEVs, I don't need to tell anyone in this room,
6 represent the future of the automotive industry.
7 Incentive programs like CVRP have proven essential to
8 increasing ZEV adoption and making such vehicles price
9 competitive with gasoline cars.

10 The UAW is excited about where the industry is
11 heading, and by recent announcements by volume automakers
12 to -- that they will be increasing their ZEV offerings.
13 We support incentive programs like CVRP that encourage
14 consumers, and by extension the industry, to embrace clean
15 vehi -- clean technologies.

16 Indeed, many of our members around the country
17 are engaged in building electric and plug-in vehicles. A
18 fair and responsible standard ensures that the EV
19 industry, which is still in its infancy, facilitates what
20 advocates call a just transition from fossil fuels to
21 clean energy.

22 Auto manufacturing helped to form the historical
23 backbone of the American middle class. However, auto
24 manufacturing jobs, like all front-line manufacturing
25 jobs, have deteriorated in quality in the past several

1 decades for a number of reasons.

2 A strong fair and responsible policy could help
3 raise the floor and reverse this decline in job quality,
4 all while helping to grow the elec -- the auto industry in
5 new cleaner directions while also decreasing our reliance
6 on fossil fuels.

7 So we want to thank CARB for all the work you've
8 put into for developing this policy concept. We're
9 overall very encouraged by the draft procedures that were
10 put out, and believe that they're a step in the right
11 direction. However, we do think that there are places
12 where the policy could be strengthened to better protect
13 and empower workers, and we'll be submitting comments with
14 our suggestions to that end.

15 Thank you very much, and we look forward to
16 seeing where this goes.

17 CHAIR NICHOLS: Thank you.

18 MS. WEI: Thank you very much Madam Chair and
19 members. My name is Angie Wei and I'm here on behalf of
20 the California Labor Federation. I know all of your day
21 has been long, so I'll be very brief.

22 We very much support the draft concept paper
23 that's been released, as my colleague from the United Auto
24 Workers has referenced.

25 Excuse me.

1 We want to say thank you very much to the staff
2 at the Air Resources Board. We know this was not an easy
3 directive. And you put in the work, the hard work, to put
4 pen to paper to develop a concept paper that we think both
5 raises standards for working people in the electric
6 vehicle industry, while not slowing these cars coming to
7 market, both goals that we support.

8 As all of you know, the American auto
9 manufacturing industry was responsible to create good
10 middle class jobs for hundreds of thousands of American
11 workers for decades. And as we make this transition to
12 clean vehicles and electric vehicles, we want to make sure
13 as much as we can that we continue to uplift that middle
14 class standard.

15 And as we make this transition, that we're
16 creating not just cleaner air, but good jobs for working
17 people in California. And this proposal doesn't get us
18 those good jobs quite just yet, but it puts us on a path
19 to make sure that labor standards and workers rights and
20 basic health and safety protections are not threatened in
21 this new market place, and sends frankly a signal to the
22 world that cleaner air, a greener economy, and good jobs
23 for working people can be goals that will be
24 simultaneously achieved.

25 So again, we want to thank the work of the staff

1 at the ARB, and we continue to work -- look forward to
2 working with the Board on making this a reality.

3 Thank you very much.

4 CHAIR NICHOLS: Thank you. Thank you for coming
5 to talk to us. We really appreciate it. This is a new
6 venture for ARB. And we're learning, but it seems as
7 though it's -- we're coming up fast, so thanks a lot.

8 BOARD MEMBER SERNA: Chair Nichols?

9 BOARD MEMBER DE LA TORRE: Chair?

10 CHAIR NICHOLS: Yes.

11 BOARD MEMBER DE LA TORRE: I just wanted to thank
12 staff as well for doing that work.

13 CHAIR NICHOLS: Please.

14 BOARD MEMBER DE LA TORRE: I know it was very,
15 very tough. It's something that I'm going to be watching
16 closely, because I -- I agree. If we're going to be
17 making this shift --

18 CHAIR NICHOLS: Um-hmm.

19 BOARD MEMBER DE LA TORRE: -- it's got to be a
20 shift that really works for the people who are doing --

21 CHAIR NICHOLS: Right.

22 BOARD MEMBER DE LA TORRE: -- the technologies
23 we're talking about.

24 Thank you.

25 CHAIR NICHOLS: Not just about tail pipes.

1 BOARD MEMBER SERNA: Chair Nichols?

2 CHAIR NICHOLS: And Mr. Serna, you wanted to
3 comment?

4 BOARD MEMBER SERNA: Thank you. I, too, wanted
5 to certainly thank the speakers for being patient, and
6 bringing up a very important point, one that I think I
7 made mention of earlier on a different subject when we
8 heard about kind of the economic development angle on what
9 was being proposed just about an hour and a half ago I
10 guess it was, that we can't lose site of the fact that
11 there are just a number of intersections with, in this
12 case, fair labor practices, in terms of our policies
13 that -- and rulemaking that goes on in these chambers by
14 this Board.

15 And I suspect that it's just going to get more --
16 the network and the intersections between fair labor,
17 economic development, it goes hand in hand with protecting
18 our air, reducing carbon emissions is just going to become
19 more and more present. And so to have staff keep that at
20 the forefront of what they're doing, in addition to all
21 the science, in addition to all the policy analysis, I
22 think speaks volumes to what, not only staff, but the
23 entirety of our agency really values.

24 And so I want to thank again everyone that's
25 working so hard on that front. But as the speakers I

1 think rightfully point out, there's still work to be done.
2 And again, I want to thank staff for hopefully
3 internalizing that, taking it very seriously, as they do
4 move forward to really craft something special.

5 CHAIR NICHOLS: Thank you. Other Board members
6 who want to make final comments.

7 BOARD MEMBER GIOIA: Comment and a question.

8 CHAIR NICHOLS: Yes.

9 BOARD MEMBER GIOIA: I appreciate the comments
10 from the speakers. I agree with that direction. I do
11 want to -- can you -- I have not seen the draft document.
12 Can you send this out to us? And I presumably because
13 probably -- most of the cars here that are sold -- and
14 electric cars that are sold in California, subject to the
15 program, are manufactured in other states.

16 So presumably, this deals with not just the car
17 maker that's located in California but deals with those
18 that are in other states as well, and --

19 EXECUTIVE OFFICER COREY: We'll point to the
20 trailer bill language that defined -- that provided the
21 direction as well as the concept that's out. So it will
22 layout what that direction was.

23 BOARD MEMBER GIOIA: Okay. Right. Because
24 ultimate -- and the issue was how -- how do we -- part of
25 it is how do we get a good realistic sort of

1 understanding, and therefore certification for those
2 facilities that are located in other parts of the country
3 and presume -- and some presumably even in other
4 countries, right?

5 CHAIR NICHOLS: Any other final comments?

6 If not, we will stand adjourned.

7 Thank you.

8 (Thereupon the Air Resources Board meeting
9 adjourned at 4:04 p.m.)

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E O F R E P O R T E R

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
License No. 10063