

**REQUEST FOR AN EARLY EFFECTIVE DATE
Pursuant To Government Code Section 11343.4(c)**

The Air Resources Board (ARB or Board) formally requests, under Government Code section 11343.4(c), that the Office of Administrative Law (OAL) prescribe an “earlier effective date” for the Air Quality Improvement Program (AQIP) Guidelines that were adopted as regulation on April 24, 2009 (Agenda Item 09-4-6). ARB believes the following demonstrates “good cause” for OAL to prescribe an earlier effective date – i.e., an effective date to coincide with the filing of the regulations with the Secretary of State.

DEMONSTRATION OF GOOD CAUSE

In this rulemaking, the Board adopted a new regulation, known as the AQIP Guidelines, that defines the program’s structure and establishes minimum administrative and implementation requirements, providing the overarching rules for how ARB will run the AQIP. The goal of this new, voluntary incentives program is to finance, through grants, revolving loans, or loan guarantees, projects that improve air quality, promote research on the air quality impacts of alternative fuels and advanced technology vehicles, and support workforce training. The AQIP will award approximately \$50 million per year through 2015 to a variety of project types specified in Assembly Bill 118. The Legislature has appropriated \$42.3 million to ARB for the AQIP in fiscal year (FY) 2009-2010.

Since passage of AB 118, dozens of organizations have announced their intent to seek AQIP funding. During this time of economic slowdown in California and the nation, the AQIP is an important source of funding for the development of advanced transportation projects, and is the only available source for some innovative companies. ARB intends to issue solicitations to award funding as soon as the FY 2009-10 budget is signed and funding is available. The AQIP Guidelines must be finalized and fully effective in order to issue these solicitations. Additionally, ARB has partnered on several transportation-related proposals for grants funded under the American Recovery and Reinvestment Act (ARRA), in which non-federal cost share is required. AQIP funds were deemed an appropriate funding match, and a cost-effective means of leveraging federal monies to stimulate the California economy and aid in the continued reduction of criteria pollutants and greenhouse gas emissions. It is critical that AQIP funds be made available as soon as possible so that successful ARRA projects can proceed without delay, and so AQIP deployment and demonstration projects can be implemented within targeted timelines.

For these reasons, ARB believes there is good cause for OAL to prescribe an earlier effective date. Therefore, ARB hereby requests that OAL approve an earlier effective date, coinciding with submittal to the Secretary of State pursuant to Government Code section 11343.4(c).

Date: August 3, 2009

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Deborah Kerns, Senior Staff Counsel