

CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER ADOPTION OF "PROPOSITION 1B: GUIDELINES FOR IMPLEMENTATION OF THE GOODS MOVEMENT EMISSION REDUCTION PROGRAM"

The Air Resources Board (the Board or ARB) will conduct a public hearing at the time and place noted below to consider adoption of the "Proposition 1B: Guidelines for Implementation of the Goods Movement Emission Reduction Program."

DATE: February 28, 2008

TIME: 9:00 a.m.

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

This item will be considered at a one-day meeting of the Board, which will commence at 9:00 a.m., February 28, 2008. Please consult the agenda for the meeting, which will be available at least 10 days before February 28, 2008, to determine the order of agenda items.

For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. Please contact ARB's Disability Coordinator at (916) 323-4916 by voice or through the California Relay Services at 711, to place your request for disability services. If you are a person with limited English and would like to request interpreter services, please contact ARB's Bilingual Manager at (916) 323-7053.

BACKGROUND

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

To reduce the emissions associated with goods movement, ARB has and is continuing to develop rules, regulations, and non-regulatory measures governing mobile sources associated with goods movement. However, to incentivize early or extra emission reductions (i.e., achieve reductions not otherwise required by law or regulation), the Goods Movement Emission Reduction Program (Program) was created in 2007. The Program is a financial incentives program administered by ARB. Under the Program, ARB works in partnership with local agencies (like air districts, ports, and transportation agencies) to quickly reduce air pollution emissions and health risk from freight movement along California's priority trade corridors. The Program does not impose any regulatory requirements on participating local agencies and equipment owners, and their entry into the Program is voluntary.

In November 2006, California voters approved the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006, also known as Proposition 1B, which, among other things, authorized \$1 billion in bond funding for this Program. Senate Bill 88 (Stats. 2007, ch. 181) is the implementing statute that created the Program, which was later amended with a minor clarification by Assembly Bill 201 (Stats. 2007, ch. 187).

The State Fiscal Year 2007-08 budget includes the Program's first installment of \$250 million. Under the Program, local agencies will request grants from ARB to provide financial incentives to owners of equipment used in freight movement to upgrade to cleaner technologies. Subsequent installments will depend on budget appropriations by the Legislature.

The Board must hold a public hearing and adopt Program Guidelines to ensure that the bond monies accomplish the intended benefits, consistent with the implementing legislation. ARB staff has prepared the proposed *Proposition 1B: Guidelines for Implementation of the Goods Movement Emission Reduction Program*, which detail the structure, requirements, eligible project options, funding criteria, procedures, and accountability provisions. These Program Guidelines formalize the administrative requirements for ARB, participating local agencies, and equipment owners.

The Staff Report on the proposed Program Guidelines also recommends that the Board approve funding targets for each trade corridor and source sector, as well as up to \$25 million in specific "early grant" projects pursuant to SB 88. ARB staff solicited proposals from six local air quality management districts (AQMDs) and air pollution control districts (APCDs) that already have the experience to quickly ramp up for the Program. As shown below, staff recommends that the Board use \$25 million to partially fund each district's proposal, with a priority on truck projects that can be operational by Summer 2008 to quickly reduce the health risk in heavily impacted communities. Staff also supports funding for a grid-based shore power project at the Port of Oakland that would be the first to demonstrate the utility of this approach at the Port. These projects would reduce diesel PM by about 240 tons and NOx by about 6,100 tons over the project life.

Bond Funding	Trade Corridor	Local Air District	Project(s)
\$13.8M	Los Angeles/ Inland Empire	South Coast AQMD	<ul style="list-style-type: none"> • Replace 130 port trucks in lease-to-own program administered by Cascade Sierra • Replace 130 other trucks
\$5.7M	Central Valley	San Joaquin Valley APCD	<ul style="list-style-type: none"> • Retrofit 450 trucks • Replace 60 pre-1996 trucks
\$0.8M	Central Valley	Sacramento Metro AQMD	<ul style="list-style-type: none"> • Replace 15 trucks
\$3.4M	Bay Area	Bay Area AQMD	<ul style="list-style-type: none"> • Install grid-based shore power at 2 ship berths • Retrofit 75 port trucks
\$1.3M	San Diego/ Border Region	San Diego APCD & 5 partners	<ul style="list-style-type: none"> • Replace 10 pre-1995 port trucks or retrofit up to 115 port trucks • Retrofit 115 trucks in Imperial Valley
\$25M			

AVAILABILITY OF DOCUMENTS

The Staff Report and the proposed Program Guidelines are currently available on the ARB Internet site at: <http://www.arb.ca.gov/gmbond>. Copies may also be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, 1st Floor, Sacramento, CA 95814, or by calling (916) 322-2990.

SUBMITTAL OF PUBLIC COMMENTS AND AGENCY CONTACT PERSON

Interested members of the public may present comments orally or in writing at the hearing, and in writing or by e-mail before the hearing. To be considered by the Board, written comments not physically submitted at the meeting must be received **no later than 12:00 noon, February 27, 2008**, and addressed to the following:

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

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

Facsimile submittal: (916) 322-3928

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

The Board requests but does not require 30 copies of any written submission. Also, the ARB requests that written and e-mail statements be filed at least 10 days prior to the meeting so that ARB staff and Board members have time to fully consider each comment. Further inquiries regarding this matter should be directed to Cynthia Marvin, Assistant Division Chief, Planning and Technical Support Division, at (916) 322-5350.

CALIFORNIA AIR RESOURCES BOARD

/s/

James N. Goldstene
Executive Officer

Date: 2/13/2008