

CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC MEETING TO CONSIDER A STATUS REPORT ON THE CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM (THE CARL MOYER PROGRAM)

The Air Resources Board (Board or ARB) will meet publicly at the time and place noted below to consider a status report on the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), as required by section 44295 of the Health & Safety Code. The Carl Moyer Program is currently operating in its ninth year. The Board approved the original program guidelines in February 1999 and revised the guidelines on November 16, 2000, April 30, 2003, and November 17, 2005. At its November 2005 meeting, the Board directed staff to return before the Board in 2006 with an update on program implementation.

The Carl Moyer Program Status Report will provide a progress summary on ARB's and the local and regional air pollution control districts' implementation of the statewide program through funding Year 6. This report also provides a summary of audits conducted by ARB and the California Department of Finance (DOF) in 2006, as well as a look ahead at the future program and anticipated air quality benefits.

A summary of the report will be presented to the Board at the meeting scheduled on the date, time and location listed below.

DATE: January 25, 2007

TIME: 9:00 a.m.

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

The item will be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., January 25, 2007, and may continue at 9:00 a.m., January 26, 2007. Please note that this item may not be considered until January 26, 2007. Please consult the agenda for the meeting, which will be available at least 10 days before January 25, 2007, to determine the day on which this item will be considered.

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 Carl Moyer Program was established in 1998 as a grant program to fund the incremental cost of cleaner-than-required heavy-duty engines. The program was originally enacted as a strategy to reduce oxides of nitrogen (NOx) to meet California's State Implementation Plan (SIP) commitments to attain air quality standards. In its first six years, the state has provided over \$140 million in funding to clean up heavy-duty engines. The Carl Moyer Program entered a new era in its seventh year, as legislation provided a significant boost in funding through 2015 and expanded the program to include additional pollutants and source categories.

CARL MOYER PROGRAM PROGRESS

Over the first six years, the Carl Moyer Program helped replace over 6,300 heavy-duty diesel engines with either cleaner burning diesel engines or alternative fueled engines. The types of funded projects include: purchase of new natural gas trucks, transit buses and school buses; purchase of electric forklifts instead of internal combustion forklifts; and replacement of old diesel engines with newer diesel engines in on-road vehicles, marine vessels, agricultural pumps, and other off-road equipment. ARB estimates that emission reductions from projects paid for in the first six years are about 18 tons per day of NOx and one ton per day of diesel particulate matter (PM). Overall, the program is cost-effective – averaging below \$3,000 per ton of NOx reduced.

PROGRAM EXPANSION

Legislative changes enacted in 2004 and 2005 provide increased and continuing funding for the Carl Moyer Program and other incentive programs – up to \$141 million per year through 2015. These changes also added diesel PM and reactive organic gases (ROG) to the program, and expanded the program to include voluntary light-duty vehicle retirement, on-road heavy-duty fleet modernization, and assistance for agricultural sources. The changes were incorporated into the Carl Moyer Program beginning in fiscal year 2004-05 (Year 7). In order to enable the expanded program to meet its goals, the Legislature also enacted, and Governor Schwarzenegger signed, legislation in 2006 to boost ARB's and the districts' resources for program administration. These additional resources will enable ARB and air districts to enhance outreach to potential applicants, streamline application and reporting requirements, participate in regular program audits, and improve program efficiency and accountability.

PROGRAM AUDITS

In 2006, ARB audited the Carl Moyer Program implementation by Ventura County Air Pollution Control District (VCAPCD), Sacramento Metropolitan Air Quality Management District (SMAQMD), South Coast Air Quality Management District (SCAQMD), and Butte County Air Quality Management District (BCAQMD). These audits focused on air district program implementation in fiscal years 2002-03 and 2003-04 (Years 5

and 6). ARB's audit reports of VCAPCD, SMAQMD and SCAQMD are attached to the status report along with the district's responses. As of November 1, 2006, the BCAQMD audit report was not yet finalized. Once complete, this report will be available on ARB's website.

In 2006, DOF also conducted an evaluation of ARB's oversight of the Carl Moyer Program. DOF's report, which is attached to the status report, provides some suggestions for improvement which will be considered for inclusion in the 2007 Carl Moyer Program Guidelines revisions. The California Bureau of State Audits (BSA) also began a performance audit of the ARB and the Bay Area Air Quality Management District, San Joaquin Valley Air Pollution Control District, SMAQMD and SCAQMD programs. The BSA audit findings will be released in late Spring 2007 and will be made available on ARB's webpage.

AVAILABILITY OF DOCUMENTS AND CONTACT PERSON

A summary of the written report updating the Board on the progress of the Carl Moyer Program will be presented by ARB staff at the meeting. Copies of the written report prepared by staff may be obtained from the Board's Public Information Office, Air Resources Board, 1001 I Street, 1st Floor, Environmental Services Center, Sacramento, CA 95814, (916) 322-2990, prior to the scheduled meeting. This report will also be available electronically on ARB's website at www.arb.ca.gov/msprog/moyer/moyer.htm. Further inquiries regarding this matter should be directed to Lucina Negrete, Manager, Alternative Strategies Section, at (916) 445-6138, or by email lnegrete@arb.ca.gov.

SUBMITTAL OF COMMENTS

Interested members of the public may also present comments orally or in writing at the meeting, and in writing or by e-mail before the meeting. To be considered by the Board, written comments submissions not physically submitted at the meeting must be received **no later than 12:00 noon, January 24, 2007** 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

The Board requests but does not require 30 copies of any written submission. Also, the ARB requests that written and email 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. The ARB encourages members of the public to bring to the attention of staff in advance of the meeting any suggestions or comments.

CALIFORNIA AIR RESOURCES BOARD

/s/

Catherine Witherspoon
Executive Officer

Date: December 21, 2006