

CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER ADOPTION OF PROPOSITION 1B: GRANTS FOR FISCAL YEAR 2007-08 FUNDS TO REDUCE EMISSIONS FROM GOODS MOVEMENT

The Air Resources Board (the Board or ARB) will conduct a public hearing at the time and place noted below to consider adoption of Proposition 1B: Grants for Fiscal Year 2007-08 Funds to Reduce Emissions from Goods Movement.

DATE: May 22, 2008

TIME: 8:30 a.m.

PLACE: San Joaquin Valley Unified
Air Pollution Control District Headquarters
1990 East Gettysburg Avenue
Fresno, California 93726

Or Via Videoconference (2 Locations)

District Northern Region Office
4800 Enterprise Way
Modesto, California 95356

District Southern Region Office
2700 M Street, Suite 275
Bakersfield, California 93301

This item will be considered at a one-day meeting of the Board, which will commence at 8:30 a.m., May 22, 2008. Please consult the agenda for the meeting, which will be available at least 10 days before May 22, 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), nitrogen oxides (NOx), and other harmful pollutants. Goods movement involves the transporting of freight by heavy duty diesel trucks, locomotives, ocean-going cargo ships, harbor craft, and cargo handling equipment. ARB has identified diesel PM 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 freight sources result in significant human health risks and adverse environmental effects, particularly in communities located near ports, rail yards, and high truck traffic areas. To reduce the emissions associated with goods movement, ARB has developed and is continuing to develop both regulatory and non-regulatory strategies for California.

Proposition 1B (the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006) authorized \$1 billion in bond funding for incentives to cut diesel emissions from freight movement in four priority trade corridors. Senate Bill 88 (Stats. 2007, ch. 181) created the Goods Movement Emission Reduction Program (Program) and provided the first installment of \$250 million to ARB as part of the State Fiscal Year FY2007-08 budget. Assembly Bill 201 (Stats. 2007, ch. 187) made a minor clarification to the Program.

Under the Program, ARB works in partnership with local public agencies (such as air quality management districts and ports) to address air pollution emissions and health risks from freight movement along California’s priority trade corridors. Local agencies request funding from ARB to provide financial incentives to owners of equipment used in freight movement to upgrade to cleaner technologies.

On February 28, 2008, the Board held a public hearing and adopted the *Proposition 1B: Guidelines for Implementation of the Goods Movement Emission Reduction Program* to ensure that the bond monies accomplish the intended benefits, consistent with the implementing legislation. The Board also approved \$25 million in specific “early grant” projects, as well as funding targets for each trade corridor and funding category.

On March 12, 2008, ARB released a Notice of Funding Availability (NOFA) to solicit applications from local agencies for the remaining \$221 million in FY2007-08 funds. By the April 4, 2008 application deadline, ARB received 19 project proposals from nine agencies requesting over \$730 million in funds.

ARB Staff is developing funding recommendations based on the funding targets and priorities adopted by the Board, together with the competitive process described in the Program Guidelines. Since local agencies submitted credible proposals in each corridor that equal or exceed the funding targets for each corridor, staff intends to recommend that the Board allocate the full \$221 million according to those corridor targets. For each corridor, staff will be recommending the source categories and local agency projects that should be funded, and the level of such funding, consistent with the Guidelines.

Trade Corridor	Corridor Target (Percent)	Proposed Allocation of Remaining * FY2007-08 Funds
Los Angeles/ Inland Empire	55%	\$122M
Central Valley	25%	\$55M
Bay Area	14%	\$31M
San Diego/ Border Region	6%	\$13M
TOTAL	100%	\$221M

* Approximately 1.6% (\$4M) set aside for anticipated ARB administrative costs.

AVAILABILITY OF DOCUMENTS

Summary tables and of the complete applications submitted by the local agencies are available on the Program website at <http://www.arb.ca.gov/gmbond>, along with the Program Guidelines and other relevant documents. ARB will post the competitive ranking results and preliminary staff recommendations for \$221 million in FY2007-08 funds on April 25, 2008. Following public workshops in late April and early May, ARB will release a Staff Report by May 12, 2008 with proposed funding recommendations for consideration by the Board at the May 22 hearing.

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, May 21, 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 Program staff via the Goods Movement Information Line at (916) 44-GOODS (444-6637) or 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: 4/25/08