

Governor Arnold Schwarzenegger
President Pro-Tem Darrell Steinberg
Assembly Speaker Karen Bass
Senate Minority Leader Mike Villines
Assembly Minority Leader Dave Cogdill
State Capitol
Sacramento, California, 95814

January 26, 2009

Dear Governor Schwarzenegger and Members of the Legislature:

The undersigned public health, science, environmental, and community organizations write to you in strong opposition to any delays or weakening of the On-Road In-Use Truck and Bus Rule (On-Road Rule) and the Off-Road In-Use Rule (Construction Rule) that have been proposed as part of the on-going budget negotiations. We understand that there are other harmful proposals on the table and want to emphasize that our focus on diesel rollbacks in this letter does not mean that we support or otherwise condone any environmental regression.

The diesel and environmental regulations under attack have already been adopted and are being implemented. They are not budgetary issues and the pressure to choose between these essential regulations and the state's economy is a false choice.

Rollbacks are bad for the health and well-being of Californians and bad for the State's economy

Rollbacks in these landmark and science-based regulations would have serious long-term implications for the public health and well-being of all Californians, especially children and the elderly, and for the overall vitality and sustainability of the state's economy and workforce:

- The California Air Resources Board (CARB) estimates that both rules would save **13,400 lives**.¹
- CARB estimates that full implementation of the rules will save between **\$66 and \$95 billion** in prevented healthcare, lost productivity, and loss of life costs.²
- Air pollution costs the San Joaquin Valley and South Coast air basins \$28 billion annually.³
- The health benefits amount to more than nine times the direct costs of the rules.
- The regulatory timelines are critical to ensure the state meets its federal air quality requirements. Meeting federal air quality requirements is necessary for public health and for avoiding federal sanctions that include loss of certain federal funding, including transportation funding.

The human health and economic benefits of the rules go hand in hand. The timeline for implementation of the regulations occurs on a relatively slow glide over the next several years.

Delaying the regulatory pathway could have serious long-term health, air quality, and economic consequences.

Including the diesel regulations in the budget negotiations undermines the public rulemaking process and endangers the fairness and reliability of the rules.

The regulations were not hastily crafted. The swift changes proposed by people who have little or no expertise in air pollution in the private budget negotiations would have unforeseen emissions, cost, and implementation consequences. Redrafting the rules through the budget process removes necessary input from the state's regulatory experts, scientists, and the general public to ensure that the outcome achieves the state's air pollution goals and protects public health.

The On-Road and Construction Rules took about 2.5 years to craft before their adoption. The rulemakings included an extensive public workshop process. CARB staff held hundreds of meetings with affected stakeholders, and conducted extensive emissions and cost modeling and surveys. The regulations evolved throughout the process to ensure they were fair and feasible. The end results were regulations that achieved the needed emission reductions, while maintaining compliance flexibility for businesses.

The On-Road Rule, especially, received an unprecedented amount of feedback and public involvement. The Board received over 3,000 written comments, and had one of the largest showings of attendance and public comment of any item the Board has heard, with broad support from communities across the state impacted by smog and soot pollution.

Diesel rules provide good, green jobs and any changes would provide an unfair business advantage

California's diesel clean-up measures will enhance investment in new technology. These investments will help California's economy by reducing health costs and by creating green tech jobs in manufacturing, sales, installation, and maintenance of diesel clean-up technologies. The California Economic Development Department predicts 3,700 new jobs dealing with diesel engines by 2016. The global market for emission control technologies is expected to continue to grow in the coming decade, with industry estimates projecting market growth from \$16 billion in 2005 to \$36 billion by 2020. The Manufacturers of Emissions Controls Association estimate that their member companies represent 65,000 jobs.

Rollbacks in the regulations would be a disaster to these retrofit manufacturers, several of which are California-based. For example, Cleaire, a California company, currently employs about 120 people through their suppliers, in-house staffs, and dealers to run their business, and has great hopes of expanding their company. They estimate that for every 100,000 retrofits there will be 5,000 job years required to do the work.

Additionally, since the rules' adoption, many businesses and companies have proactively changed their business plans, worked with CARB to determine their best path for compliance, ordered equipment, and have begun complying with the rules. Rollbacks would not only negate some of

the efforts they have already made, but provide for an unfair business advantage for other companies who have yet to plan for rule implementation.

Lastly, the nation, with California a proud leader, recently voted for a new administration that celebrates change and hope. Change involves looking forward and leaving behind the same business-as-usual methods of operating. Rolling back the diesel regulations would be a significant regression of California's clean air goal.

We urge you to protect the integrity of the diesel regulations and other California environmental protections and ask that you remove environmental policy changes from the budget negotiation process.

Sincerely,

Don Anair
Union of Concerned Scientists

Diane Bailey
Natural Resources Defense Council

Nidia Bautista
Coalition for Clean Air

Brian Beveridge
West Oakland Indicators Project

Arturo Carmona
The Council of Mexican Federations in North America (COFEM)

Elizabeth de Rham and Jill Ratner
Rose Foundation for Communities and the Environment

Bonnie Holmes-Gen
American Lung Association of California

Andy Katz
Breathe California

Camille Kustin and Kathryn Phillips
Environmental Defense Fund

Anne Lamb
Community Action to Fight Asthma and Regional Asthma Management and Prevention

Bill Magavern

Sierra Club, California

Brent Newell
Center for Race, Poverty, and the Environment

Nick Robinson
Merced Stop Wal-Mart Action Team

Sarah Sharpe
Fresno Metro Ministry

Ed Welch
Save the Air in Nevada County

Ryan Wiggins
EndOil

Cc: Members of the California State Assembly and State Senate

¹ From the CARB factsheets, found at: On-Road Rule:
<http://www.arb.ca.gov/msprog/onrdiesel/documents/truckruleoverview.pdf>; Construction Rule:
<http://www.arb.ca.gov/msprog/ordiesel/documents/OfRdDieselOverviewFS.pdf>

² Ibid.

³ Hall, Jane, et. al. "The Benefits of Meeting Federal Clean Air Standards in the South Coast and San Joaquin Valley Air Basins." California State University, Fullerton. November 2008.
http://business.fullerton.edu/centers/iees/reports/Benefits_of_Meeting_Clean_Air_Standards_11-13-08.pdf.