

Congress of the United States
Washington, DC 20515

February 27, 2008

The Honorable Mary Nichols
Chairwoman, California Air Resources Board
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

Re: Proposition 1B Goods Movement Emission Reduction Program

Dear Chairwoman Nichols:

We take this opportunity to express our deep concern regarding the California Air Resources Board's (CARB) staff recommendation for target corridor allocations under the Goods Movement Emission Reduction Program (GMERP). Certainly we are pleased to hear that you and your board support the 2017 target date for attainment in the San Joaquin Valley and that CARB will commit its resources to achieve that goal. However, it appears that this commitment is not reflected in CARB staff recommendations on target corridor allocations.

Without question, Valley interests have worked diligently to make meaningful progress on our regional air quality despite significant geographic and technological challenges that we face. Mobile sources have long been identified as the largest contributor to the Valley's Ozone problems with goods movement emissions being the largest single source. For example, the September 19, 2007 Staff Draft Concepts for Implementation identifies trucks as "... the dominant source of health risk from goods movement in most impacted communities." As such, it is our understanding that staff has recommended allocating 76 percent of the bond funding to truck retrofits and replacements.

As you know, the CARB emission studies data shows more heavy-duty truck miles traveled in the San Joaquin Valley than in any of the other major trade corridors in the state. In fact, data asserts that 45 percent of heavy-duty truck miles traveled occurs in the Valley, while the next highest number, 35 percent, is located in the South Coast Region. Despite this clear evidence of need, your staff has recommended that 55 percent of the funding be allocated to the South Coast, while only 25 percent is allocated to the San Joaquin Valley; this to be shared between the San Joaquin Valley and the Sacramento non-attainment zone. While we understand the difficulty in developing equitable allocation

methods, we find the funding of the South Coast region at 2.2 times the level of the San Joaquin Valley to be unreasonable and unfounded based on the data.

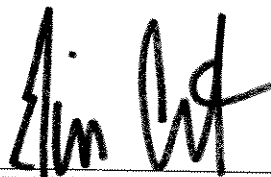
Considering the apparent inequity of the recommended allocation, we would like to make the following suggestions for consideration in developing final distribution allotments.

- Emissions reductions required to meet the Valley's attainment of the 24-hour ozone standard by 2017 must be included in the calculation under the "SIP Needs" criteria.
- The "Goods Movement Emissions" criterion should be applied based on the latest official inventory numbers – *the same numbers that CARB has asked the air districts to use for their SIP plans* – not new inventory numbers that may be flawed and have yet to be subjected to public vetting processes.
- Population figures should be normalized using *per capita exposure to goods movement emissions*. There is nothing in the bond measure or in the implementing statute that suggests that raw population numbers are a fair basis for this allocation. Chapter 3.2, Section (b) (1) states that that CARB should give "...priority to emission reduction projects that achieve the earliest possible reduction of *health risk in communities with the highest health risks from goods movement facilities*." Certainly the residents of the San Joaquin Valley, with 71 percent of residents residing within five miles of Highway 99 or Interstate 5, fall into this category.

Calculations made by the San Joaquin Valley Air Pollution Control District show that when the above considerations are applied to the allocation criteria chosen by the CARB staff, the Valley is deserving of a **minimum** allocation of 37 percent of the Proposition 1B bond funds. While CARB staff has indicated that the San Joaquin Valley may benefit from projects administered by agencies in other corridors, there is no guarantee in the guidelines proposed by staff.

Therefore, we respectfully request that the target allocations be adjusted to reflect a more realistic view of the air quality needs in the state. Thank you for your consideration of this request.

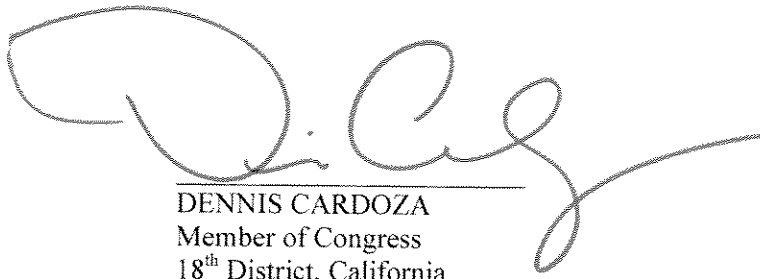
Sincerely,




JIM COSTA
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19th District, California



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18th District, California



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21st District, California



KEVIN MCCARTHY
Member of Congress
22nd District, California

CC: The Honorable Arnold Schwarzenegger, Governor of California
The Honorable Linda Adams, Secretary of the California Environmental Protection Agency
The Members of the Board, California Air Resources Board
Mr. James Goldstene, California Air Resources Board
Mr. Seyed Sadredin, San Joaquin Valley Air Pollution Control District