



Owner-Operator Independent Drivers Association, Inc.

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The Honorable Arnold Schwarzenegger
Governor, State of California
State Capitol
Sacramento, California 95814

The Honorable Mary D. Nichols
Chairman, California Air Resources Board
1001 "I" Street
Sacramento, California 95814

Dear Governor Schwarzenegger and Chairman Nichols,

I am writing regarding the upcoming enforcement dates under the Drayage Truck Rule and the Transport Refrigeration Rule (TRU). Both rules are scheduled for hard enforcement to begin on January 1, 2010. Considering our nation's deep economic recession and the havoc it is wreaking on owner-operators and small-business motor carriers both in California and outside the state, I respectfully request that you grant an extension of the enforcement dates. This would allow more time for owner-operators and small-business motor carriers to access federal funding opportunities that have yet to be disbursed or will be awarded shortly. Also, as our total economy revives many negatively affected business will likely be able to secure credit and access loans. Failure to grant an extension could have significant ramifications for goods movement in California.

The Owner-Operator Independent Drivers Association (OOIDA) has more than 157,000 members nationally, including more than 5,500 members in California. Altogether, they operate approximately 240,000 trucks in interstate commerce. The deepest economic recession since the 1970s has placed the economic viability of many owner-operators and small-business truckers at significant risk. The high failure rate of trucking companies in this economy is well documented, and those not fortunate enough to secure public grants to aid in the high cost of compliance are placed in an unfair disadvantage versus their competitors (many who are larger motor carriers) that have received various forms of government aid. These rules were initiated at a time when the current economic landscape was unforeseen and showing some flexibility would greatly enhance their survivability.

A request for an extension of the enforcement dates for both rules is based on the following factors:

- CARB had granted a previous extension on the TRU regulation out of concern for the many truckers unable to meet the original compliance date. That fact is still true.
- In November, CARB granted an extension to a subset of port truckers who had not yet received promised financial aid from the State of California. This seems discriminatory in that one group (those owed public grant money) are being favored over another – even though their situations are identical.
- Lastly, the current controversy involving a key CARB employee tasked with developing the health statics used to justify these regulations has cast a pall over the entire regulatory process. No less than two Board members have publicly called for suspension of the truck and bus rule to reestablish the public trust. An

extension would be viewed by many as a goodwill effort by the State of California while the Board sorts through the implications of the fraud.

The financial difficulty faced by many owner-operators and small-business motor carriers in complying with these rules is a direct result of their inability to secure private sector financial aid in the form of loans. It is no secret that our nation's private financial markets have tightened lending procedures even for those who have good credit.

Coupled with depressed rates for the freight they haul, many are facing a financial squeeze unprecedented in our lifetimes.

An extension would also allow many non-California based truckers to access American Recovery and Reinvestment (ARRA) funds awarded to states by the U.S. EPA. We have members who have been granted awards by their home states for technologies such as diesel particulate filters and refrigeration unit repowers. Yet, similar to the plight faced by port truckers in California who have received an extension from CARB, many states have yet to make good on promised award payments, thus hindering truckers ability to install emissions-reducing technologies. Additionally, the U.S. EPA will be awarding another round of funds under the Diesel Emission Reduction Act (DERA) in the spring of 2010, which will be accessible to many owner-operators and small-business motor carriers to help them replace or retrofit older, more polluting equipment.

OOIDA is not unconcerned about the serious air quality issues faced in California and the goal to meet Clean Air Act mandates by 2014. Air quality improvements from reduced truck emissions are already well ahead of estimates. OOIDA has been an industry leader in communicating the numerous new environmental based regulations faced by truckers nationwide – not just in California. Through our significant media resources¹ we have raised awareness and educated a highly diverse industry. OOIDA is also a member of the U.S. EPA SmartWay Transportation Partnership, and we've been administering an EPA grant to encourage our members to invest in idle-reduction technologies – yet more needs to be done.

The diesel emissions-reduction objectives of California are attainable but many owner-operators and small-business motor carriers simply need more time to comply. By not extending the enforcement deadlines for all, California is creating an unnecessary economic hardship on tens of thousands of truckers. The objectives are actually being risked by blatantly discriminatory behavior coupled with an emerging scandal that calls into question the legitimacy of the regulatory process used.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'James Johnston', written in a cursive style.

James Johnston
President

¹ Land Line Magazine, Land Line Now radio program on XM satellite radio and our website - www.OOIDA.com