

## **California budget plan would weaken air pollution rules**

**A major provision would delay the retrofitting of heavy diesel equipment, which would save the construction industry millions but also hurt efforts to reduce harmful emissions.**

By Margot Roosevelt, staff writer

L.A. Times, Thursday, February 19, 2009

California's proposed budget contains a major provision that would weaken air pollution regulations while saving the construction industry millions of dollars.

The measure, largely overlooked in a public debate focused on taxes, would delay requirements for builders to retrofit bulldozers, scrapers and other soot-spewing equipment, slashing by 17% the emissions savings that health advocates had hoped to achieve by 2014.

"There are people who will die because of this delay," said Mary D. Nichols, chairman of the state Air Resources Board.

"It is sad in an era where most people understand that strong environmental standards actually help California's economy as well as public health . . .

"Anti-tax zealots were able to force a weakening of our anti-diesel-pollution standards as the price of a balanced budget."

California's off-road diesel regulations, adopted in 2007, were the first in the nation to require construction companies to retrofit existing heavy equipment.

Diesel machines are responsible each year for an estimated 1,100 premature deaths, more than 1,000 hospitalizations for heart and lung disease, and tens of thousands of asthma attacks in California, according to the Air Resources Board.

The building industry, backed by national groups that fear a precedent could be set in California, had lobbied heavily to stall the diesel rules.

Without retrofitting existing construction vehicles, Los Angeles, the San Joaquin Valley and other highly polluted regions will be unlikely to meet federal air quality deadlines. Diesel equipment can last 30 years before it is retired.

But a pullback would be "welcome news for the thousands of construction workers that have lost their jobs across the state," said Brian Turmail, a spokesman for Associated General Contractors.

The rule was "well-intended," he said, but "would have forced thousands of small-business owners to replace perfectly good equipment instead of putting Californians back to work."

No public hearings were held on a diesel rule rollback, nor has there been a debate in the state Legislature.

But "there were two years of public hearings on the diesel regulation that is now getting weakened," said Kathryn Phillips of the Environmental Defense Fund. "What the big construction companies couldn't get into the rule in the light of day, [they] managed to get through a back-room deal."

The rollback of the diesel standards would eliminate the sort of "green jobs" that Gov. Arnold Schwarzenegger has championed, Nichols said.

A number of companies had revved up to install tens of thousands of diesel retrofits, a labor-intensive process involving complex new equipment.

Bradley L. Edgar, chief executive of Cleaire Advanced Emissions Controls, a San Leandro company, said that for every five retrofits, a new job is created.

"Most of these jobs are local because the retrofits are local," he said. "We manufacture in San Diego and source many components from California suppliers . . . which translates to economic stimulus."

Environmentalists see little chance of gaining the Legislature's attention amid the budget impasse.

"With the magnitude of the forces at play here, the environmental issues have taken a back seat to taxes," said Bill Magavern, the Sierra Club's California director.

"Reform of the budget process, especially the elimination of the two-thirds requirement for passing budgets and taxes, is desperately needed to prevent this kind of fiscal blackmail."

The budget also suspends state support for local transportation for the remainder of 2009 and into the next five years. That would bring mass-transit funding cuts to \$3 billion over the last two budgets.

But several controversial environmental measures sought by Republicans were turned back, including a prohibition on factoring greenhouse gases into state environmental impact reviews and a weakening of pesticide rules.

## **UCI expert: stimulus could bring cleaner air to OC**

By Pat Brennan

OC Register, Thursday, Feb. 19, 2009

The \$787 billion stimulus package signed into law Tuesday could eventually reduce air pollution in Orange County, although economic recovery — when it comes — is likely to raise smog levels at first, according to a UC Irvine economics professor.

In both cases, associate economics professor Gary Richardson said, the key is the area's large number of commuters.

"The impact on the economy could have a perverse effect on the environment," he said of recovery. "Unemployment is good for emissions. People who don't work are not driving to work, and it cuts down on pollution."

Putting people back to work, he said, could lead to a slight increase in air pollution.

But in the long-term, money pumped into alternative fuel vehicles would result in a steep drop in air pollution in commuter-heavy areas like Orange County.

"The air quality in Orange County would improve dramatically," Richardson said. "A major source we have of pollution here is automobile exhaust."

That could come in the next 10 to 15 years, he said, if the Obama administration is successful in pushing broader use of low-emission vehicles.

"Expect bluer skies, less asthma, healthier kids," he said in a week that saw Orange County's horizon scrubbed clean by rain.

"Every day will be like today, the day after a rainstorm," he said. "You could see the mountains surrounding the Los Angeles basin, you would always know there are islands off our coast. You often don't see those because of the smog blanket."

The stimulus bill includes about \$100 billion for clean energy projects, a White House estimate says, including \$11 billion to modernize the nation's electric grid.

[Bakersfield Californian editorial, Thursday, Feb. 19, 2009:](#)

## **Anybody have a better solution?**

Their rallying cry has been "No new taxes," and we have to admit we like the sound of it. Who wants more taxes? Republicans in the California Legislature are correct: We pay enough already.

OK, next question: What, then, do we do about this cavernous state budget hole? This yawning, \$42 billion shortfall that threatens to turn thousands of prisoners loose on the street, where they can line up for rapidly evaporating state aid next to newly laid-off California Highway Patrol officers? This deficit that threatens to shutter libraries, barricade state parks, slash public schools and idle transportation projects that employ tens of thousands of Californians? And right in the midst of the worse recession in a generation.

The Republican caucus offers the same answer: No new taxes. Perhaps we have a bad connection.

No, sadly, our connection is just fine. Fact is, as the state literally goes broke before our eyes, Republicans refuse to consider any other option.

Do any of them have actual solutions? We've heard precious little in terms of cost-cutting specifics, beyond the \$15 billion that all parties have agreed to.

What about new revenue sources? Assemblywoman Jean Fuller, R-Bakersfield, suggests we open up the coast to offshore drilling and advance royalty payments to ourselves based on the anticipated revenues.

A difficult political hurdle, to be sure, but let's say Democratic opposition dissipates amid this desperation and offshore drilling gets the green light. Depending which state agency you talk to, there's between 324 million and 420 million barrels of accessible proven reserves in state waters (within three miles of the coast) -- not more than a sixth of our proven onshore reserves.

Officials with the Interior Department's Minerals Management Service, which collects oil and gas royalties, say it would take 10 years for the state to see any actual revenue from new offshore drilling.

But wouldn't it eventually be worth it? Maybe, but it bears noting that 2008 *onshore* royalties amounted \$103.4 million -- a nice sum until you stack it up next to the deficit.

[Fuller also suggests freezing spending on AB32, the law intended to cut pollution from off-road diesel equipment.](#) The heavy construction industry would undoubtedly like that, but critics of a proposed freeze say it would have zero impact on the budget.

At least Fuller is thinking. First-term Assemblyman Danny Gilmore, R-Hanford, hasn't offered up any specific revenue suggestions. But he acknowledges the depth of the problem.

"This budget deficit is so large, there's going to have to be a revenue component," he said Wednesday. "And face it, when we talk revenue components, we mean new taxes."

He just can't bring himself to cast a vote for new taxes. Dairy owners in his district, faced with plummeting milk prices, are starting to slaughter dairy cows. How can he cast a vote to tax them further?

That's the agonizing quandary of this budget deficit. Failure to raise taxes will mean disaster across an array of essential programs and services. Raising taxes will create another set of hardships.

But insolvency is at our doorstep. Down deep, every member of the Legislature must know what it'll take to rescue the state. Hard times require hard decisions.