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# Assembly California Legislature



**ANTHONY J. PORTANTINO**  
 ASSEMBLYMEMBER, FORTY-FOURTH DISTRICT

**STANDING COMMITTEES**  
 CHAIR, HIGHER EDUCATION  
 GOVERNMENTAL ORGANIZATION  
 PUBLIC SAFETY  
 TRANSPORTATION

February 23, 2009

The Honorable Arnold Schwarzenegger  
 Governor, State of California  
 State Capitol  
 Sacramento, CA 95831

Dear Governor Schwarzenegger:

We are writing to express our concerns with the imminent enforcement by the California Air Resources Board (CARB) of regulations that could seriously jeopardize more than \$3 billion collected in gas tax revenues. If no solution is found, our economy will be negatively impacted if thousands of independent and small business owners who own gas stations have to close their doors. The loss of these funds could also result in the cancellation of transit and road projects and add thousands of Californians to the unemployment rolls.

Several years ago CARB adopted regulations requiring gas stations to install upgrades by April 1, 2009 to help reduce air pollution levels. Unfortunately delays by CARB in approving products for use, coupled with high fees and regulations added by local jurisdictions resulted in only 1 in 5 stations being able to install these systems.

CARB is well aware of the problem, but has yet to offer a workable solution. In the November 2008 CARB staff report, they identified several major barriers to compliance including:

- **Financing** -- "in the present financial climate, business owners, and particularly small business owners, are experiencing serious challenges in financing the EVR Phase II upgrade(s)." The current economic crisis and credit freeze is hampering the ability of small and medium sized business owners to secure the necessary financing for compliance.
- **Added Costs and Permit Delays** -- Many gasoline dispensing facilities "are unable to comply by the April deadline due to circumstances beyond their control, such as planning department delays." Many local governments are adding additional cumbersome requirements such as new building requirements, landscaping requirements and other conditional use permit requirements that only further increase the overall cost of the project.

On countless occasions since the adoption of the original requirement station owners, trade association representatives and members of the Legislature have asked for relief and identified issues that if resolved would help to achieve compliance. This has included expediting the use of alternative and less costly equipment, consolidating dates to install other required equipment, and adopting universal standards to avoid the varying requirements imposed by California's 480 cities and 58 Counties.

**Representing Cities**

Altadena, Arcadia, Duarte, East Pasadena, La Cañada Flintridge, Los Angeles, Mayflower Village, Monrovia, Pasadena, South Pasadena, and Temple City



February 23, 2009  
The Honorable Arnold Schwarzenegger  
Page 2

It was not until October 2008 – six months prior to the implementation deadline- that CARB finally certified an alternative system. Unfortunately this late approval does not help station owners who cannot secure financing due to the global financial crisis, and owners who can finance the installation are facing long delays in obtaining equipment and higher costs. Equipment suppliers significantly increased prices because they know station owners face a critical deadline – costs now range anywhere from \$17,000 to as much as \$85,000 per station for compliance.

With less than 60 days before the state orders the shut down of local gas stations, it is estimated that more than 78% of 11,000 gas stations will not be able to meet this deadline. In simple terms, even if every single station could secure financing, obtain the necessary approvals and contract for installation, it would require more than 200 systems to be installed each and every day to achieve compliance – an impossible task. Without your intervention, the ultimate result will be that thousands of small business owners will have no choice but to close their doors – resulting in higher unemployment and reduced tax revenue.

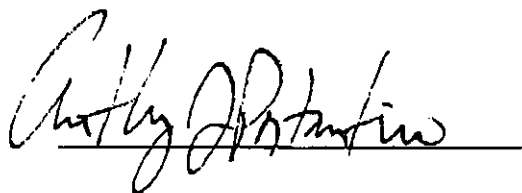
Inner and urban areas will be hit especially hard. Anticipated problems include increased gasoline prices as a result of decreased competition, increased crime and blighted areas due to station closures and most ironically, increased pollution resulting from longer drive times to find an open gas station.

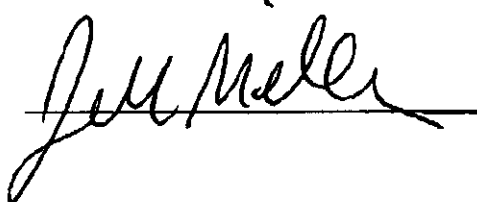
The remedy for this unfortunate situation is simple: allow a one-year extension for compliance.

As Governor, you can prevent this looming crisis by directing CARB to extend the EVR Phase II dead line to April 1, 2010. **CARB has already issued extensions or exemptions for other types of gas dispensing facilities.** This reasonable extension would not cost the state any additional financial resources, allows small business owners needed time to secure financing, protects badly needed jobs and balances environmental needs with current economic realities.

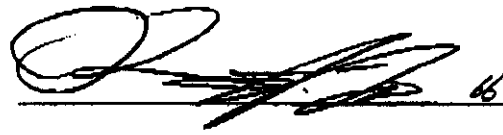
Your prompt attention to this matter would be greatly appreciated.

Sincerely,

  
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Audrey Reichland



Paul Cook

Fred Guin

Steve

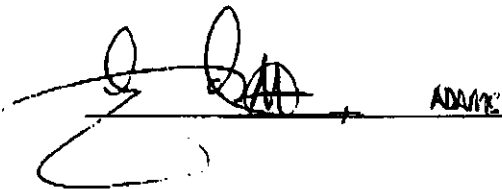
Robt Ross

Anthony

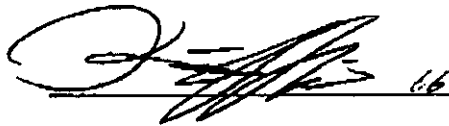
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Jim Str.

Van Tran

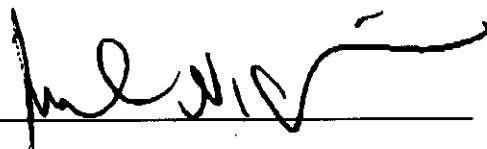
 ADAM

Jan Fuller



Roger Stone

CM562



Tommy

Marty Davis

Paul [unclear]

John [unclear]

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Bob [unclear]

John J. Breit

Roy [unclear]

Tom [unclear]

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Shawn [unclear] McLeod

Ken [unclear]

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Wendyland

Jim D

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Assemblyman Anthony Portantino  
Assemblyman Jeff Miller  
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Assemblywoman Diane Harkey  
Assemblyman Steve Knight  
Assemblyman Jim Silva  
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