UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
PUBLIC HEARINGS
Docket No. A-99-06

Regarding Control of Air Pollution
from New Motor Vehicles:

Proposed Heavy-duty Engine and Vehicle Standards
and Highway Diesel Fuel Sulfur Control
Requirements

Monday, June 19, 2000
Crown Plaza Hotel
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USEPA PUBLIC HEARINGS

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New York, New York

MS. OGE: Good morning. On behalf of the Environmental Protection Agency, I would like to welcome you to today's hearing and thank you for taking the time to attend this hearing this morning.

I'm Margo Oge, Director of the Office of Transportation and Air Quality, and I will serve as the presiding officer of this hearing.

We will hear testimony today on EPA's proposed rulemaking for cleaner trucks, cleaner busses, and cleaner diesel fuel. This is a historic proposal. This proposed program will receive a dramatic reduction in air pollution in the 21st Century. Last year we established a new program to reduce emissions from cars, minivans, pickup trucks, and cleaner burning gasoline.

We are now focusing much needed attention on heavy-duty trucks and buses, applying the same principle of treating vehicles and fuel as a system. This proposed program will protect the public health and environment of all Americans by reducing the sulphur content in highway diesel fuel by 97 percent to

provide the cleanest diesel trucks and buses in history.

Heavy-duty trucks and buses are largely powered by diesel engines. Diesel engines are more durable and get higher fuel economy than gasoline engines, but also tend to pollute more.

Over 100 million people across the country breath unhealthy air. Trucks and buses contribute significantly to this problem. For example, here in New York one-third of NOx, which is the nitrogen oxide emissions, and 11 percent of particulate emissions come from those trucks and buses. This pollution causes lung damage and respiratory problems, and there is increasing evidence that diesel exhaust may cause lung cancer.

Before we start the testimony, I would like introduce the EPA panel and describe how we will conduct this hearing today. You have already been introduced to Kathy Callahan. Kathy is the director of the Air Office of the Regional Office here in New York City. Thanks for coming, Kathy.

On my right is Chet France, he is the Director of the Assessment and Standards Division. On my left is Dawn Martin, Chief of Staff of the Office of Air and Radiation. And Gretchen Graves (phonetic) is a

lawyer for today's hearing.

This is one of the public hearings that we're going to hold across the country. This is the first of the five public hearings. Please keep in mind that in addition to the opportunity for oral testimony today, this hearing, and the remaining four hearings, the common period for this proposal rule will remain open until August 14 to allow for comments.

We are conducting this hearing according to section 3067-D(5) of the Clean Air Act, which requires EPA to provide interested persons with an opportunity for oral presentation of data, in addition to making an opportunity for submissions today.

We expect a large number of people to come here to testify, and we will do our best to keep the process moving smoothly and I'm asking for your help, so that everyone has an opportunity to speak. I'm asking everyone to keep your comments to an absolute maximum of ten minutes. You can do a shorter than ten minutes, that would be great. If your testimony runs longer, this is the gentlemen who is going to help you keep track of your time by signaling you before the ten minutes are up. So please look at Ted.

Because of the large number of witness who will testify today, this hearing may go into the

evening hours, if necessary. We will work through lunchtime and dinner. I will be conducting this hearing formally.

We request that witness state their names and affiliations prior to making the statement. Please write your name clearly on the paper provided and place it in front of you so we know who you are. When a witness has finished his or her presentation, a member of he EPA panel may ask questions concerning your testimony.

Now, if there are any members of the audience who wish to testify and have not already signed up, I would ask you to please submit your names to the reception table and bring you forward to testify if you would like a transcript of this proceeding, you should make arrangements directly with the court reporter.

Before we begin the testimony is, if there are any questions please let me know, if not, I will introduce our first panel.

Today, we have few elected officials of this wonderful state of New York. A member of the assembly, Mr. Edward Sullivan is here. Please come forward. And I understand that Ms. Kathy Fried (phonetic), New York City Councilmember is also here. Please come forward.

MR. EDWARD SULLIVAN: Good morning. Thank

you for coming to New York, and thank you for inviting me. My name is Edward Sullivan, I am a member of the New York State Assembly and I serve, among other committees, on the Environmental Conservation Committee.

But the reason I'm here primarily is for two reasons. One is that when I was younger, I was an asthmatic child. I suffered from asthma for many years. I remember very vividly the difficulties of breathing. Simply breathing. Breathing through the night. Breathing through the day. I remember being unable to participate in certain activities that children might normally be expected to participate in because of my difficulty breathing.

Today, there are an extraordinary number of young people in the same circumstances. Many of them within district, and many of them live near my district.

I represent an area on the Upper West Side of Manhattan, which goes up to the edge of the bus barns, where the buses are kept and where they re-circulate to go on their routes. It is also an area where an enormous number of trucks not only transport goods, but are served also service stations that are located there and, therefore, add to the pollution.

The young people in that area -- not only the young -- people who are asthmatic in that area not only go through what I went through as a young person, but they have the additional burden of polluted air that I find is unacceptable.

It is bad enough that a young child has to go through and suffer through asthma, but to ask him to suffer through polluted air that is imposed upon him or her by trucks and buses which don't have to do it, is, I feel, unacceptable. There are alternatives. We do not have to have vehicles driven by diesel engines.

There are alternatives and those alternatives must be employed to save these young people. Will it cost money? I guess it will. Then we have to decide what are the relative values of a healthy child or the cost of a more efficient engine. Those are decisions that we, as a society, have to make. What is more important? What is more valuable to us?

I would like to add one other factor, and that is recently, some years ago, the Americans with Disabilities Act was passed, and as I understand it -- I'm not an expert on that Act -- but as I understand it, the idea was that we, as a nation, are going to begin including everybody in our activities, everybody in our social life, and not exclude people who happen

to have a disability. Thus, we have, as we have all witnessed, seen stairwells turned into ramps, or elevators and doorways widened, and etcetera. And I think this is all very good, because as one nation, instead of a divided nation, we are a stronger nation.

Well, I believe that the Americans with Disabilities Act would apply to the asthmatic children who live in areas where unnecessarily polluted air is being dumped upon them.

If that's the case, if there is an alternative available, then I would believe that this polluting of the area takes on not simply a negative thing to do, but possibly an illegal thing to do under the Americans with Disabilities Act. So I would like to call that to your attention. I'm not sure I'm right, but I think it would be something to think about in the protection of these children.

Let me just finish by citing a quotation from the Bible, which goes as follows: "Which of you, if your son asks for a fish, would give him a stone?"

Well, I ask which of you, if your son or daughter asked for clean air to breathe, would give him or her poisoned air to breathe? Thank you.

MS. OGE: Thank you. Ms. Freed.

MS. KATHY FREED: (Phonetic) Good morning

and I thank you for allowing me to speak. I especially want to thank you for coming forward with the proposed new rules for diesel fuel. I urge you to implement them as soon as possible. And if you could do it tomorrow, I would be just as happy.

I represent lower Manhattan, but I don't want to just speak for lower Manhattan I want to talk to the entire City of New York. We, in many ways, are unique. We're certainly the largest city in America, but we probably are the most polluted city. Although, technically, Baltimore is worse. When the studies that came out last year, Manhattan was the second-most polluted city, Queens, the Bronx, and Brooklyn are in the top ten, and Staten Island was in the top 25.

I think if you add them altogether, what we're looking at is an environmental disaster. Every single day everyone who breaths is a being assaulted by toxins. Anyone who has lived here for any length of time starts to develop what we refer to as the "New York cough." Like a two-pack-a-day smoker, after a certain point you start coughing.

Well, if you live in New York, after a certain point you notice that you come down with sinus problems. You develop respiratory problems. Suddenly you have allergies, and you do develop asthma. That's

if you moved here as an adult. If you've been here as a child -- and an unconscionable number of children have asthma. Asthma rates are higher here in the city, and the number one contributor to that is the air that we breath. And certainly diesel fumes.

Another unique thing about New York is that we get fully 97 percent of the goods that come into this city come from trucks. The majority of those trucks are diesels. The buses that we have in the Metropolitan Transit Authority, the majority of them are also diesels. We are only now beginning to come in with some alternatives. A lot of the proposals are too little and too late.

If you live in New York, you really are assaulted daily by the air that we have to breath. And in addition to the fact that we have incredible amounts of diesel, I think 50 percent of the air pollutants are directly from diesel fumes. And in certain areas like West Harlem, where they live by bus terminals, you have some of the highest asthma rates in the country.

Downtown, where people who live near the Canal Street corridor, where for 24 hours a day trucks come from the East River bridge and the Holland Tunnel, we are totally assaulted by diesel fumes.

We are actually trying to get the state to

put additional monitors down there, because ironically in the city of New York we have what's called "opacity" (phonetic). Which means that if you can actually see the diesel soot, that's illegal. That (inaudible), because that's the least of the problem. It's the small particulate matter that we breath in through our nose and runs through our respiratory system. Because our bodies have no defenses against the small, invisible (inaudible).

We're also looking at that fact that diesel soot has been linked to cancer and other respiratory ailments, which I think we haven't even begun to study like we probably should.

I don't know what to say except that in New York we are under assault by our own air, and we desperately need to be rescued from this. And if it's removing sulfur that will do this, then we're all for it.

Sure there is a cost, but it's been estimated that last year alone the top ten oil companies reported $11 billion in profits. The one-time cost of removing sulphur from diesel fuel is about a third of that.

And the other irony there is that we're looking this at a time that the oil companies are reaping unheard of profits. In fact, right now an

investigation is going on in the Midwest to see if there's been price fixing that's been happening because of the astronomical oil prices.

But whatever the price, even if it were more than that, we should pay, because we're paying a much higher cost in quality of life and death. The pollution, we must remember, is deadly. Asthma does kill, and it significantly reduces the quality of life for children, for seniors, for all of us.

So I would implore you to move on this as soon as possible.

Let me just end by saying another thing about New York: We have never been in compliance with the Clean Air Act. We have never been in compliance with the State Implementation Plan. And there are a lot of us in the city who are getting fed up with this.

We need a change. We need decent, safe, healthy air. Because if we don't get the air we need, we are looking at the possibility of a lawsuit, and many of those millions or billions of (inaudible) will get us to see to this problem. But we are going to do whatever it takes so we can breathe healthy air.

Thank you for these hearings, and I urge you to do whatever you can to get rid of as much diesel as possible. Thank you.

MS. OGE: I would like to ask the next panel and first panel to please come forward. Peggy Shepard, Bill Becker, Lewis Frank, Rich Kassel, Bruce Sertelsen. Ms. Shepard, we'll start with you.

MS. PEGGY SHEPARD: Good morning. I am the executive director of West Harlem Environmental Action, Incorporated, (WE ACT); co-chair of the Northeast Environmental Justice Network; and vice chair of the National Environmental Justice Advisory Council to the EPA.

I appreciate the opportunity to address EPA's new rule intended to dramatically cut diesel pollution over the next ten years.

WE ACT works in communities of color to empower residents by educating them on the many environmental pollutants to which they are exposed and to help reduce such exposures in order to improve environmental health, quality of life, and community well being. One of the most important issues that we work to address is air quality and its effect on respiratory disease; a contemporary urban paradigm of transportation, air quality, and public health. In Northeast urban areas like New York City, Baltimore, and Boston, those links are unmistakable.

We thank the EPA for initiating this new

proposal to curb diesel exhaust because dirty diesel trucks and buses adversely affect me, my family, my community and other New Yorkers. Yet, we are troubled that the communities with a high percentage of residents who are more vulnerable, such as children, the elderly, and the immuno-compromised, whose residents have poor health status such as infant mortality rates, low life expectancy, and epidemic asthma rates, that those communities will continue over the next ten years to see its most vulnerable residents at risk. The EPA's schedule for requiring cleaner, low-sulfur diesel fuel in 2006 is better late than never; but sooner is both feasible and better for public health. Let me tell you why.

Environmental Justice communities, home to predominately Latinos, Asian, and Native Americans, are often disproportionately exposed to a variety of environmental hazards. Diesel exhaust is only one of the health risks. Children in these communities are losing the fight against asthma. Not only do African/American and Latino children have a higher risk of asthma than white children, but African/American children are four times more likely to die from asthma compared to Caucasian youth.

The demographics of residents living in areas

not in compliance with the federal ozone standard is 52 percent white, 62 percent African/American, and 71 percent Latino. There are significant studies that indicate dramatically the correlation between high ozone levels, increased hospitalizations and emergency room visits for asthma, and premature deaths of vulnerable residents like the elderly.

Manhattan, a non-attainment area and listed as an area with the second highest level of air toxics in the country by EPA, has never met the federal regulations for particulate matter. According to an air quality test done in northern Manhattan in the summer of '96 by EPA Region II, the levels of small PM2.5 particulates in the air exceeded the new federal standards by as much as 200 percent at several key intersections.

Several studies demonstrated that children living near major roadways have poorer lung function than children living in cleaner areas.

In fact, a study conducted several years ago in Harlem by Mary Northridge, an epidemiologist at the Columbia School of Public Health, indicated that of the 50 seventh graders in the control group of the study attending school in a quiet street in Harlem, over 75 percent had biomarkers for diesel in their urine.

The majority had decreased lung function.

Neighborhoods in northern Manhattan, which are home to over 500,000 residents, mostly African/Americans and Latinos living in 7.4 square miles, are disproportionately impacted by diesel pollution. The neighborhoods of East, West and Central Harlem and Washington Heights are surrounded by three major highways which do not allow trucks; instead, neighborhood streets become designated truck routes.

There is a diesel-fueled Amtrak rail line running through the community; two sewage treatment plants, one of which emits high levels of VOCs - volatile organic compounds like perc; and a marine transfer station to which over 200 heavy-duty diesel sanitation trucks travel daily and sit idling their engines. And due to the city's new solid waste plan, that plant may be expanded along our Hudson River waterfront. Add to that a large NY/NJ Port Authority bus station entered by over 630 diesel buses daily, add over 14 million trucks crossing the Triborough Bridge at 125th Street, and over 50 million cars and trucks crossing the George Washington Bridge yearly.

Yet that all pales in light of this fact: Northern Manhattan neighborhoods are home to over one-third of the city's 4,200 diesel bus fleet. There

are four Metropolitan Transit Authority depots in Queens, four in Brooklyn, one in the Bronx, and eight in Manhattan. Of those eight, six are above 99th Street. Of those six, two will receive multi-million dollar expansions, one which will be totally rebuilt as a diesel depot, and in the zip code with the highest asthma hospitalizations and deaths in the nation.

Because bus ridership demand is up over 25 percent, more diesel buses are being purchased, even while all depots are at capacity. Even though state legislature has mandated that the MTA by more natural gas buses and build no more diesel depots, the MTA over the last year has leased or purchased three new lots to house buses outdoors where they will idle, idle all night in cold weather. These are three new "virtual" depots that will have no city or state oversight, no permits to operate, and no enforcement. Though they will house hundreds of idling buses, they will be listed officially as mere parking lots.

Environmental Justice advocates define our environment as "where we live, work, play, and go to school." Yet in most northern Manhattan neighborhoods, diesel bus depots and small truck fleet parking lots are located adjacent to schools, hospitals, recreational facilities, and large housing complexes.

One summer day I counted ten diesel buses idling outside the Manhattanville Depot on 128th and Amsterdam Avenue, adjacent to an intermediate school while over fifty youngsters played in a NYC Parks Department swimming pool just a few yards away.

The impact of diesel soot is compounded by the fact that it is discharged as street level, where pedestrians are walking and breathing. But for other residents living near northern Manhattan, bus depots, black soot against their windows makes its way indoors to mix with indoor air allergens, which are significant triggers for those with asthma or respiratory illness.

Considering that New York City's asthma death rate is higher than that of any other city in the country, it would be accurate to refer to New York as the asthma capital of the world. And since northern Manhattan and South Bronx experience asthma mortality and morbidity rates at three to five times greater than the city-wide average, New York City's problem is northern Manhattan's crisis.

For these reasons, to protect the public health, we make the following recommendations:

1) There should be nationwide implementation of low sulphur diesel fuel in 2006, if not sooner. The reduction in sulphur in diesel fuel, along with exhaust

treatment to reduce nitrogen oxide and particulate matters in diesel emissions will prevent millions of asthma attacks and tens of thousands of cancers per year. Without lowering sulfur in the fuel, the heavy-duty truck industry cannot adequately lower emissions. We support a cap of 15 parts per million on sulfur, which represents a 97 percent reduction of sulfur in fuel. Sulphur must be nearly eliminated from diesel fuel.

2) Lower sulfur in diesel fuel means that emission traps and filters will work to reduce pollutants. We support the implementation of after-treatment technologies, but believe that the EPA must be equally as aggressive to mandate the use of alternative fuels and technologies to diesel.

3) Now, let's get rid of the phase-in period for diesel engines. These standards will not take effect for seven years, which give manufacturers enough time to plan and make the switch in technology. While we wait to phase-in this rule, many children's lives will be phased out.

4) New trucks should be required to meet tighter limits on smog-forming emissions of nitrogen oxides by 2007, not 2010.

5) It is not enough to require new trucks to

be cleaner. By 2004, the EPA should also establish a program for checking in-use emissions for used trucks.

6) Incentives must be provided for use of advanced technologies. It is time to invest in the next generation of technology that can serve the role of diesel without the health and environmental impacts. We support the concept of incentives targeted at manufacturers who go beyond the mandates of this rule and create even cleaner alternatives. EPA should create incentives for use of natural gas, electric and fuel cell vehicles in transit, sanitation, and other key urban fleets.

7) It is appropriate to conduct an evaluation and assessment of the impact and effectiveness of these rules as soon as feasible. However, there is no need to wait to consider appropriate penalties for noncompliance. Penalties that can ensure compliance should be drafted immediately.

8) And finally, there is always a cost to do something differently. And I believe that the cost of increased emergency room visits, hospitalizations, lost school days, lost work days, and family disruptions are worth the pennies per gallon and the $1,600 per heavy-duty vehicle is cost effective.

MS. OGE: Thank you. Mr. Becker, good morning.

MR. BILL BECKER: Good morning. My name is Bill Becker, I'm the executive director of STAPPA, the State and Territorial Air Pollution Program Administrators, and ALAPCO, the Association of Air Pollution Control Officials, two national associations of air quality officials in the states and territories and more than 165 major metropolitan areas across the country.

I am pleased to be here this morning to provide our associations' testimony on EPA's recent proposal to set more stringent emission standards for on-road heavy-duty engines, and especially to reduce levels of sulphur in on-road diesel fuel.

On behalf of STAPPA and ALAPCO, I would like to commend EPA for its continued leadership in reducing air pollution for the mobile source sector. Your final promulgation last December of Tier 2 motor vehicle emission standards and a national low-sulfur gasoline program was a remarkable accomplishment that will benefit the entire country.

This month's heavy-duty engine and low-sulfur diesel proposal is further demonstration of the agency's commitment to efficiently and cost effectively

reducing a wide variety of mobile source-related emissions to achieve meaningful improvements in air quality across the nation; we applaud this initiative and the "systems approach" which addresses both the engine and its fuel, upon which it is based.

We are especially pleased that the proposed heavy-duty engine and diesel sulfur program reflects the key recommendations made by our association. This program is of vital importance to our memberships. For this reason, our associations has adopted, with almost unanimous support, a resolution calling upon EPA to establish a stringent low-sulfur diesel fuel cap to enable the introduction and effective operation of advanced technologies, such as lean-NOx catalysts and adsorbers and particulate filters; a copy of the resolution is attached to my statement.

We have placed the highest priority on participating in the rule development process, and are proud that EPA has concluded that the most appropriate strategy so closely mirrors that which we have advocated.

As the officials with primary responsibility for achieving and maintaining clean, healthful air across the country, state and local agencies are keenly aware of the need to aggressively pursue emission

reductions from the heavy-duty mobile source sector, which contributes substantially to a variety of air quality problems. As EPA acknowledges in this proposal, by 2007, when the proposed engine standards would take effect, on-road heavy-duty engines and vehicles will account for 29 percent of mobile source NOx emissions and 14 percent of mobile source PM emissions.

Under the control strategy EPA has proposed, however, by 2030 on-road heavy-duty vehicle NOx emissions would be reduced by 2.8 million tons and PM emissions by approximately 110,000 tons. These emissions reductions, as well as others that the proposed rule would affect, will play a pivotal role in addressing an array of significant environmental problems that continue to pose health and welfare risks nationwide; including those associated with ground-level ozone; course and fine particulate matter; sulfur oxides; air toxics; visibility impairment; the acidification, nitrification and eutrophication of water bodies; and global warming.

Based on the substantial contribution of heavy-duty vehicle emissions to air pollution and very serious public environmental problems, we have no alternative but to impose greater controls on these

sources and their fuels, and to do so in a truly meaningful way. Further, because many of these vehicles constantly travel back and forth across the country, their emissions are ubiquitous. For this reason, regulation of the heavy-duty mobile source sector, and of the fuels used by these sources, must be done on a national basis as EPA has proposed.

In the coming weeks, our association will be providing comprehensive written comments on the complete proposal. Today, however, I would like to focus my comments on a few fundamental issues.

The air pollution that comes from big diesel buses and trucks is not only among the most visible there is, but it is also among the most offensive. What is the worse, however, is that the noxious exhaust brings with it adverse health impacts that can be dire, posing a serious threat to public health nationwide. Perhaps the greatest risk comes from the toxic emissions. Diesel exhaust contains over 40 chemicals that are listed by EPA and California as toxic air contaminants, known human carcinogens, probable human carcinogens, reproductive toxicants or endocrine disrupters. In 1998 California declared particulate emissions from diesel-fueled engines a toxic air contaminant, based on data that supported links between

diesel exposures and human cancer.

Further, last fall the South Coast Air Quality Management Direct in Los Angeles, California released a draft final report, the "Multiple Air Toxics Exposure Study in the South Coast Air Basin (MATES-II)," which included an analysis for cancer risk in the region from exposure to diesel particulate.

Based on this analysis - which estimated diesel particulate levels by using elemental carbon as a surrogate and applied a cancer potency factor determined by the state of California - South Coast concluded that of the cancer risk posed by air pollution, 70 percent is attributable to diesel particulate emissions, with mobile sources being the dominant contributor.

Our associations were alarmed by South Coast's findings. So this past spring, based on a tailored, more conservative version of the MATES-II methodology, we sought to extrapolate the evaluation of cancer risk from diesel particulate to other cities across the country and to estimate how many cancers nationwide are the result of exposure to diesel particulate. By applying a MATES-II methodology, we found that on a nationwide basis, diesel particulate maybe responsible for 125,000 cancers over a lifetime.

Now let me be clear, this is not a precise number. Instead, it is an approximation of a potential impact of exposure to diesel particulate that highlights the need for swift and certain regulatory action. Further, it allows us to estimate that EPA's proposal, which includes a 90 percent reduction in particulate emissions, could prevent 35,000 of these cancers. We cannot afford to forego this opportunity. And EPA, much to its credit, has issued a proposal that ensures that we will not.

Our association congratulates EPA for responding to a serious environmental problem with an equally serious strategy that establishes rigorous emission standards for on-road heavy-duty diesels and a commensurately low cap on sulfur in diesel fuel, all within a time frame that will allow us to reap the benefits of this program beginning with the 2007 model year. Although there are several aspects of the proposal with which we have concerns, and we will offer recommendations, the fact remains that key components of this proposal are rock solid and we support them.

With respect to the emission standards, we strongly endorse the levels EPA has proposed: A particulate matter standard of 0.01 grams per brake horsepower-hour, and a NOx stand of 0.2 grams per brake

horsepower-hour, which are 90 and 95 percent cleaner that today's standards, respectively. However, although we are very pleased that the PM standard will take full effect in 2007, we have concerns regarding the four-year phase-in period proposed for the NOx standard, and will offer further discussion of this in our written comments.

Inextricably linked to the proposed engine standards is the issue of low-sulfur diesel fuel. The ability of heavy-duty diesels to comply with the stringent engine standards that EPA has appropriately proposed a directly dependent on a timely, nationwide availability of diesel fuel with ultra-low levels of sulfur. Without such fuel, the technologies capable of achieving such low emission standards will be rendered inoperable.

For this reason, STAPPA and ALAPCO vigorously support the proposed 15 parts per million cap on sulfur in diesel fuel, to take full effect across the country in mid-2006, with no phase-in. This provision of the proposal is absolutely essential; while an even lower cap may prove to be necessary, it's crucial that the final rule include a fully effective, nationwide cap of no higher than 15 parts per million by mid-2006.

Finally, while non-road diesel engines are

not addressed by this proposal, we view the control of non-road diesels to be as critical as the control of on-road diesels. Further, we firmly believe that the technological advances that will occur in order to meet future, more stringent on-road heavy-duty diesel standards will carry over to non-road equipment, but only if very low-sulfur diesel fuel is available for this sector as well.

We are extremely concerned, however, that EPA may not be proceeding as quickly or aggressively as necessary to develop non-road diesel engine and fuel programs that are commensurate with the enormous contribution non-road diesels make to air pollution; more must be done.

In conclusion, I thank you for this opportunity to provide the associations' preliminary perspectives on your rulemaking. We applaud EPA for seizing the opportunity to take another enormous step toward cleaning up the mobile source sector and achieving our nation's clean air goals.

We commend your leadership in developing a technologically, economically, and environmentally credible approach for addressing on-road heavy-duty diesel engines, and fuels. Preserving the integrity of the framework that you have proposed is imperative to

the viability of this program and, moreover, to the efforts of states and localities across the country to achieve and sustain clean, healthful air.

MS. OGE: Thank you. Mr. Frank, good morning.

MR. LOUIS FRANK: I'm Louis Frank, president of Marathon Ashland Petroleum, LLC. My company is the fourth largest US refiner, operating refineries with a combined capacity of 935,000 barrels per day --

MS. OGE: Could you please speak closer to the microphone, we cannot hear you.

MR. FRANK: The energy industry asks that you carefully consider our views on EPA's recently proposed diesel sulfur regulations.

First, understand that we support reducing sulfur content in diesel fuel. This is an area where fuel producers can make a positive contribution. US Air quality has benefitted because of, and in proportion to the extent we have formulated fuels to cut tailpipe and exhaust stack emissions in the past.

The oil industry proposal of a 90 percent reduction in highway diesel fuel sulfur levels to 50 parts per million will enable technology to meet EPA's proposed particulate matter standard, and achieve 80 percent of EPA's proposed nitrogen oxide standard at

half the cost of EPA's proposal. Plus, our proposal is achievable.

EPA's statistics proves that nearly two-thirds of America's air quality improvement is due to clean fuels and clean engine technology. Moreover, the improvement has been steady and is continuing, and I'm proud of that result. Please note that there was no magic involved, it was a painstaking process of finding out what worked, technically, economically, commercially. And we do this for a living, we can't afford to be wrong. Costs and benefits have to balance. And that goes to the heart of industry's contention that pushing beyond a 90 percent reduction in diesel sulfur puts wishful thinking ahead of market reality.

The 97 percent reduction is only required because the agency has arbitrarily targeted a 90 percent reduction in NOx from the 2004 standards. This proposal would take sulfur levels to 15 parts per million by 2006. This is a regulatory triple threat with the potential to seriously affect diesel supplies, and harm the entire US economy.

A large capital cost penalty is forced upon the industry because sulphur reduction to this level requires new, high pressure, hydrotreating units. Only

a handful of suppliers design and build these units. Refiners will face a choice of having to invest in new high-cost hydrotreating, or relying on existing units to produce a reduced volume of diesel fuel from the available straight run stocks. Many will choose the latter course, and the supply of diesel fuel in the United States will shrink.

Motorists have complained bitterly about this summer's price spikes caused by the roll-out of new environmental fuel formulations that have been enacted by the EPA. Higher costs and supply shortages could produce this same effect for diesel fuel consumers.

And these consumers are not Sunday drivers, they represent the bread and butter of the country's economy. These are the people who haul dry freight, mail, and merchandise from plant to port. Economic over-the-road distribution has made just-in-time inventories a standard requirement for American factories. Cheap fuel has kept us competitive with low-wage markets abroad. And low diesel prices have made it possible for independent truckers to earn a decent living.

The American Trucking Association, and more than 1.8 million farm families and 4,000 agriculture cooperatives have joined with us in calling for a

slower, more prudent approach to diesel standards.

EPA does not share our caution. But EPA's case is based on the use of vehicle technology that is still today unprovable. This is technology, which EPA's admits has not advanced from the chalkboard to field trial stage. In preliminary tests, the EPA recommended technology has failed to hit target emission levels regardless of fuel sulphur content. EPA is requiring our industry to spend billions of dollars on its belief that this unproven technology will be there when it's needed.

Industry knows how to hit the 15 parts per million standard. But we also know that volumes are cost-constrained. Refiners will choose to produce less product. Any trucker or fleet operator can tell you what that will do to their business. Our estimate is that EPA's proposal would add about $2,600 to the cost of a trucker's annual operation. And that is before we address the cost required for the infrastructure adjustments that keep the new, cleaner fuel separate from the high level sulfur fuels.

Real-world constraints will also affect our ability to maintain the 15 parts per million standard through thousands of miles of pipeline, shipment, terminal storage, and service station disposition.

Fifteen parts per million is equivalent to less than a tablespoon of water in an Olympic size swimming pool. Contamination at the molecular level could endanger this fragile standard.

The reality is that the refiners would actually have to reduce levels below 15 ppm to have regional assurance that the product stayed on specification. Even after taking the steps, 10 to 20 percent of the proposed ultra-pure fuels will become contaminated and will have to be downgraded into higher sulphur products, and/or shipped back to the refineries for reprocessing.

EPA has raised the possibility of phasing in its sulfur requirements to mitigate their impact. This would necessitate purchasing additional tanks, piping, and pumps to accommodate the sale of two grades of highway diesel fuel. This is nothing less than requiring a second grade of on-road diesel fuel which is extremely expensive. This may sound simple, but it will require a whole new infrastructure to be created, which will only be needed for two to three years. The bottom line is: Less efficiency and more cost.

I'm saying to you, on behalf of America's energy industry, that we have prepared to undertake a landmark 90 percent reduction in diesel sulfur levels,

knowing full well what that entails in terms of production cost, quality maintenance, and capital investment. Moreover, the 90 percent reduction should achieve virtually all the emission reductions of EPA's more severe standard.

We support this reduction and we understand its potential health benefit. But this is not a poker game. We are not arguing over table stakes. Anyone can demand too much too soon. Setting an appropriate regulatory standard demands wisdom, courage, and care.

Is 15 parts per million an appropriate standard? A reasonable person will acknowledge that market and technological realities mean more than wishful thinking when it comes to goal setting. And such a person will also acknowledge that American well-being is measured in the quality of life its people can afford and its transportation-based economy can support. In that light, the 15 parts per million standard is actually counterproductive.

In summary, I would like to say that this proposed rule is bad rulemaking in that it should be moderated and tempered to something that can seem to be achievable within the industry.

I would like to thank you for your time and consideration, and I would be happy to answer any

questions that anybody might have.

MS. OGE: Thank you. Mr. Kassel, good morning.

MR. RICHARD KASSEL: Good morning. My name is Richard Kassel. I'm a senior attorney for the National Resources Defense Council, (NRDC,) a national environmental advocacy organization with over 400,000 members nationwide, many of whom live in New York.

I coordinate the Dump Dirty Diesels Campaign. I am a representative on EPA's mobile source technological review subcommittee. Thank you very much for the proposal and for the opportunity to comment today. I'm going to speak briefly, we have more details in our written statement. We will also supplement our written statement.

NRDC has been working to clean up diesel emissions since the mid-1970s. Ironically, in the attempt to remove lead from gasoline, we began a new phase of the campaign, the Dump Dirty Diesels Campaign, when we decided it was time to work and focus on urban bus fleets in New York, Los Angeles, and later Washington, to move beyond diesel to cleaner alternative fuels.

The Dump Dirty Diesels Campaign in both local forums and national forums, are a top priority

campaign. In our view, diesel's toxic particles and nitrogen oxide emissions are probably the most serious air pollution threat facing many Americans, not only New Yorkers, but many urban areas.

So we're here to congratulate EPA for the proposal, and to urge EPA to keep to the levels for particulates, nitrogen oxide, formaldehyde and, of course, sulfur.

The reasons for our concern are clear: EPA's proposal means cleaner air and better health for all of us. Diesel exhaust is filled with asthma-attack producing soot particles.

NRDC recently applied the California EPA risk assessment for diesel particulate to the diesel particulate levels that are found right here in midtown Manhattan, and we estimate that at the current level of diesel pollution, that could yield a lifetime of potential cancer risk of 8870 cancers per million. I might add that while this estimate is not an exact predictor, it is clearly illustrative of the order of magnitude of diesel potential for cancer risks.

The reasons for concern are clear, but so are the reasons for applause. Implementing your proposal in full will be the environmental equivalent of removing 13 million of today's trucks from the roads.

The barrier to cleaner trucks and buses is, in a word, sulphur. Just as lead in gasoline was a barrier to cleaner cars in the 1970s, today's high-sulfur diesel fuel is the barrier to cleaner trucks and buses for a similar reason:

Because it prevents the use of advanced control technology that, in this case, could eliminate diesel's black cloud.

EPA and the administration should continue to hold firm, you're on the verge of a watershed moment in air pollution regulation. When it happens, removing sulfur from diesel fuel will be the biggest vehicle pollution news since the removal of lead from gas.

By cleaning up every bus and truck in the nation, this should mean longer, healthier lives for asthmatics, and many other Americans who currently hold their breath when a diesel truck blows by.

It's worth noting that New York City is a great place for your first hearing on this proposal for several reasons:

First, as you've heard, we live with some of the highest diesel particulate matter levels in the nation. Over half of the particulate emissions in midtown Manhattan come from diesel tailpipes. That's more than ten times the national average contribution

of diesel particulate to ambient particulate.

Second, we live with chronically high summertime smog levels. Here in the northeast there were 339 exceedances of the eight-hour ozone standard in just the first eleven days of June. This past Saturday, EPA was actually reporting and forecasting more.

Third, New York State is home to more than a million asthmatics, including over 500,000 children. We live with some of the highest asthma rates in the nation.

And finally, New York City and State are at the forefront for adopting clean-fuel bus technologies.

The NRDC celebrated a huge victory here in New York, when the state's Metropolitan Transportation Authority agreed to finally clean up its bus fleet -- after a decade-long campaign -- with a combination of low-sulfur diesel, natural gas, and hybrid-electric buses. Likewise, the city's Department of Transportation already has had a long-standing commitment and is converting its entire bus fleet to compressed natural gas.

What these actions show is not only that cleaner heavy-duty vehicles are necessary and desirable

from an environmental and public health perspective, but that they are feasible from a perspective of some of the largest bus fleets in the nation.

With the time that I have left, I would like to touch briefly on NRDC's support. More detailed comments are in my written testimony, which I submit into the record.

First, we strongly support EPA's proposed national sulfur cap of 15 parts per million. NRDC would strongly oppose any relaxation of that proposal.

Implementing the new sulfur cap nationally by mid-2006 makes sense for at least two reasons. First, a national approach to low-sulfur diesel is critical, given the mobility of the vehicles themselves. Second, implementing the low-sulfur cap in mid-2006 ensures that the fuel supply of low-sulfur diesel will be adequate to service those first model year 2007 vehicles that are sold typically in the summer and fall preceding the calendar year.

Third, it's critical that EPA adopts the sulfur cap. Any sulfur cap less stringent will jeopardize the technical feasibility of the proposed particulate and NOx standards by disabling some of the most promising NOx controls on the drawing boards, and by reduce the (inaudible) that are already on New York

City streets.

Let's me be clear: The oil industry has already recommended what they call a more reasonable approach. But the reality is: It's a statement of opposition to achieving the particulate and NOx standards that EPA has set forth in its proposal, and by association it's a statement of opposition to the asthma and cancer reductions provided by those particulate and nitrogen oxide reductions. The same industries that fought unleaded gasoline are now fighting against desulfurized fuel.

Because they can't win on the science or health, the oil industry argues poverty and harm to the US economy. Let's put this in perspective.

America's largest oil companies reported nearly $12 billion in profits in just the first quarter of 2000; yet industry-wide compliance costs less than 4 billion for the entire roll out of this rule. Surely this investment is a reasonable cost of continuing what is obviously an extremely profitable business.

As for the US economy, it's estimated that these rules could add three or four cents to the cost of a gallon of diesel fuel. Hardly enough to derail the nation's strong economy. It is worth noting that BP Amoco has already reported that its 15 ppm sulfur

fuel will be sold in California next year at an incremental cost of only 5 cents a gallon. And that's even without the economies-of-scale benefits of a nationwide fuel.

Some industry opponents, of course, are urging delay by asserting a need for more time to study the proposal, that the EPA should not rush to reduce diesel emissions this year.

To them, NRDC responds: You've had more than 20 years' notice from the environmental and public health community that it's time to dump the dirty diesels, and time's up.

Europeans are using technologies that require low-sulfur diesel, and are reaping the benefits. Americans should too.

We support the proposed standards, and we strongly the NOx standard. By 2007, low sulphur diesel full should be available nationwide so there's no fuel barrier to the national use of advanced controls.

The implementing all of the new standards at the same time will minimize the cost and burdens of compliance.

Low emissions (inaudible) activities from around the world and European communities, upcoming diesel fuel and emission requirements will create

momentum for product development, and national non-diesel alternatives will significantly (inaudible).

I would just like to say a word in support of strong Blue Sky standards. (inaudible) to provide creative incentives and guidance to state and local fleet programs that are trying to introduce the cleanest technology, and trying to ensure that they meet their set goals for the next decade. Thank you very much.

MS. OGE: Mr. Mandel, good morning.

MR. JED MANDEL: Good morning. My name is Jed Mandel, I am here today on behalf of the Engine Manufacturers Association. Among EMA's members, the principal manufacturers of the truck and bus engines covered by today's proposal.

As we sit here today we are on the cusp, the critical turning point, of something spectacular. We have within our grasp the potential to dramatically reduce the emissions of the most fuel efficient, reliable, and durable source of motor power available today, and the backbone of our nation's transportation and delivery system.

The diesel engine can be as clean, if not cleaner, than any other power source. It is capable of

meeting emission standards significantly below today's levels. And let me remind everyone that the emissions from today's diesel engines already have been reduced by over 90 percent. Yet we recognize that more, much more, in fact, can and should be done.

The key of course, is to greatly reduce the sulfur content of diesel fuel. Future reductions in diesel engine emissions are going to require much more than new engine designs and technologies. As EPA appropriately recognizes, future emission reductions requires a systems approach involving the engine, after-treatment, and fuel.

In a sense, the future of clean, low emitting trucks and buses rests on a three-legged stool. And the stool will fall without all the legs in place. One of those legs, fuel quality, enables the technologies necessary to make the other two legs stand.

Without removing essentially all sulfur from diesel fuel, advanced NOx after-treatment devices will not be feasible; advanced PM after-treatment will be poisoned and engines will be exposed to excessive wear, increased maintenance costs, and impaired durability.

I cannot emphasize enough the critical importance of ultra-low sulfur fuel: It enables substantial NOx and PM emission reductions; it provides

direct PM emissions reductions; and it provides benefits not just from new engines, but from the entire fleet of diesel fueled vehicles.

Improved diesel fuel also has a role in responding to potential health effects concerns.

Ultra-low sulfur fuel lowers the total mass of particulate from the entire fleet and enables the use of known after-treatment technologies, such as oxidation catalysts and catalyzed particulate filters, which can reduce the organic and carbonaceous components of PM emissions, can reduce hydrocarbon emissions, and enables technologies to reduce NOx which, in turn, will reduce secondary PM.

We applaud EPA for recognizing the critical role of fuel sulphur. We strongly support the need for a uniform, nationwide low-sulfur fuel standard with a hard cap on sulphur content. Regional differences on sulfur content will not allow the systems approach necessary to meet EPA's very stringent NOx and PM emission levels.

Further, a hard cap on sulfur is critical. Averages simply will not work. They are difficult and impractical to enforce. Moreover, the engine and after-treatment legs of the stool must be assured of never being exposed to high sulfur fuel.

In our view, 15 ppm does not go far enough. And fuel improvements shouldn't only be limited to trucks and buses. Non-road fuels also must be improved.

We are aware of the various arguments raised by the oil industry against improving fuel quality. They don't want to reduce sulfur to even 15 ppm, let alone to lower levels.

Nationwide ultra-low sulfur fuel can - no, must - be achieved, and it can be done cost effectively without undue economic harm to either the oil industry or to the trucking industry, the users of both our engines and the oil industry's fuels. We will provide detailed comments on the need for ultra-low sulfur fuel in our written submission.

So today we are enthusiastic we are enthusiastic, excited, and hopeful about the future of the diesel engine and our industry's ability to produce reliable, durable, fuel efficient, high-performing diesel engines that are also as clean or cleaner than any other power source.

There are issues which would require a great deal of work by the manufacturers and the Agency. But it is no longer a question of "if." Give us fuel improvements, sufficient time, compliance flexibility,

and testing certainty and tremendous emission reduction can be achieved.

Thank you for your time.

MS. OGE: Thank you. Mr. Bertelsen, good morning.

MR. BRUCE BERTELSEN: My name is Bruce Bertelsen, and I'm executive director of the Manufacturers of Emission Controls Association, (MECA). MECA is pleased to submit testimony in support of EPA's proposed heavy-duty engine and vehicle standards and highway diesel sulfur control requirements.

We believe an important opportunity exists to significantly further reduce emissions from highway heavy-duty diesel engines by utilizing an engineered systems approach that incorporates and combines advanced engine designs, advanced emission control technology, and very low sulfur diesel fuel.

EPA's regulatory initiative recognizes the importance of promoting this systems-type approach and the Agency's proposal constitutes a carefully crafted and balanced program. If the program is finalized, it will result in substantial, cost-effective emission reductions over the next several years. Indeed, EPA's initiative will bring about the age of the truly clean

diesel engine.

By way of background, MECA is a nonprofit association made up the world's leading manufacturers of motor vehicle emission controls. Our member companies have over 30 years of experience and a proven track record in developing and commercializing exhaust control technologies for motor vehicles.

Today, I will briefly summarize MECA's position on EPA's proposed initiative. We have extended discussions in the written statement we submitted to you, and we will be submitting even more extensive comments prior to the end of the comments period.

In the interest of time, I would like to focus on two issues today: First, the technological feasibility of the diesel heavy-duty engine standards; and second, the critical need for very low sulfur diesel fuel to meet those standards.

First, with regard to the technical feasibility, we believe the emission standards proposed can be achieved in a cost-effective manner within the lead time provided, if very low sulfur diesel fuel is available.

EPA, in its proposal, identified two primary candidate technologies for the meeting the proposed

emission limits -- catalyst-based diesel particulate filters for PM control, and NOx adsorber technology for oxides of nitrogen control.

Catalyst-based diesel particulate filters are commercially available today. The only remaining engineering effort is optimize the filter systems for the specific engine to which they will be applied.

Worldwide there are over 20,000 engines equipped with diesel filters. And it's important to note that in Europe, or parts of Europe where diesel fuel with a sulphur level below 10 ppm is available, a number of filters are operating and have operated very, very successfully with no problems. Some of those vehicles operated hundreds of thousands of miles in providing very, very significant PM reduction.

With regard to NOx adsorber technology, the development and optimization of this technology is progressing at a rapid rate. Our members fully expect that with the availability of very low sulphur diesel fuel, this technology will be commercialized in the 2007 time frame. This technology is way beyond the chalkboard stages.

We'll discuss the rapid developments in this area in more detail in our written statement, but I would like to make a couple of comments.

First, our members believe there are no barriers to the commercialization, the changes are engineering in nature.

Secondly, these companies, with over 30 years of experience in emission control technology, are making the investment because they believe it will become commercialized.

And, finally, I think it's important to point out that when the EPA first began talking about the possibility of setting the 15 ppm cap, these companies significantly increased their development efforts with regard to the need for very low sulfur fuel.

A couple of comments. On meeting the 0.2 NOx standard and the 0.01 ppm standard over the full useful life of a heavy-duty engine as certified over the combined transient and steady-state certification test procedures with not-to-exceed standards, as previously stated, we believe these changes can be met and the ultimate goal of a truly clean diesel engine is possible. But, again, very low sulfur diesel fuel must be available.

Our members believe with a sulphur cap of 15 ppm, emission control strategies can be developed to meet the proposed emission limits. Specifically with a 15 ppm cap, our members are extremely confident that

all catalyst-based filter technologies will be designed to meet the level of 0.01 ppm, and that NOx absorber technology will be optimized. NOx standards at levels above 15 ppm, we doubt the 0.2 NOx and 0.01 ppm standard would be feasible.

In closing, I would like to again commend EPA for a truly remarkable and forward thinking proposal. We recognize that the proposed highway heavy-duty engine and vehicle standards present real engineering challenges, but we also believe that these changes can and will be met.

As I mentioned earlier, the key is to employ a systems approach. And from our standpoint, our industry is committed to do our part to ensure that if the proposed standards are adopted and the diesel sulfur limits are implemented, the desired reductions will be achieved. Thank you very much.

MS. OGE: I'd like to introduce Tom Appelt, from Corning, Incorporated. Welcome, good morning. Please state your name.

MR. THOMAS APPELT: My name is Thomas Appelt, I'm the business director, mobile emission products, at Corning, Incorporated. Corning appreciates the opportunity to testify at today's hearing, and to fully support the testimony of the Manufacturers of Emission

Controls Association.

In the early 1970s Corning, Incorporated joined the campaign for cleaner air when it developed an economical, high-performance cellular ceramic substrate, and a few years later diesel particulate filter that are now standards for mobile emission control devices. We continue to improve upon these industry standards with new technologies to enhance the product performance and manufacturing "know how" which will support the increase in demand in the coming years.

Corning, Incorporated firmly believes that the emission challenges set forth by the EPA proposal can be met in the time frame given. But low sulfur diesel full, no higher than 15 ppm cap, must be part of the regulatory program as it is the enabler in meeting the proposed standards. Thank you very much.

MS. OGE: I have a question for all of the panel members, and I would like to start with Mr. Frank. And obviously the issue, one of the most challenging ones that we're dealing with in this regulatory program, is the level of sulfur in diesel.

In our proposal, we have proposed a 97 percent sulfur reduction in diesel in order to achieve a 95 percent reduction in NOx and a 90 percent

reduction in particulates. We also have analyzed the proposal that the oil industry has put on the table, that is 90 percent reduction of diesel sulfur in fuel, and our conclusion is that if you reduce sulfur by 90 percent, you will reduce nitrogen oxides and particulate emissions only by 20 percent. It's a significant big difference.

Mr. Frank, in your testimony you testified that the oil industry proposal will achieve an 80 percent reduction in NOx. I don't believe you have testified what reductions will be for PM. I would like to ask if you can tell us how did your industry, or your company, arrive to that conclusion?

And I also would like to ask the engine representatives, and maybe the catalyst technology representatives, to speak to that.

How far do you think we can go in reducing NOx and PM if we were to adopt a 90 percent sulfur reduction in diesel?

But I will start first with Mr. Frank.

MR. FRANK: I think that the important point here is that we do not see any beneficial qualities of sulfur. But that the practicality of being able to take down sulfur levels to the extreme levels that we're talking about will not exist within the refining

business and that there will be significant shortages of diesel fuel supplies available within the United States.

I think that that is important, given the fact that the situation we're facing with the gasoline initiative today, where nobody understands the high prices. But there is a reduction in the amount of gasoline available under the EPA guidelines that have been in effect that have caused a price response in the marketplace. And a similar thing, I think, will happen with diesel fuels.

Another important consideration is that I think that these NOx adsorbers, even while it's been testified today that they think that they can develop the technology by 2006, they do not exist today that can operate with any sulfur level above zero. And zero is impractical to get to.

I think those are important considerations that are driving what is practical and achievable in the time frame. And then again, the phase-in of gradual sulfur reductions over three-year time frame in some areas just won't work, and that's what the EPA's proposing there.

So I think that a lot of what's being proposed and advocated are wishful thinking and not

being able to recognize what the real world is.

MS. OGE: Mr. Frank, we would definitely appreciate it if you have any supporting documentation that you can provide to the agency for the record how your company believes that a 90 percent reduction in sulfur and fuel will achieve 80 percent reduction in emissions. Again, our position on that is that it's only 20 percent reductions. It's a very different set of numbers that we're dealing with.

MR. FRANK: We will submit that documentation.

MS. OGE: I would like to ask the engine expert and the after-treatment expert to speak to that effect. What do you think can be done with a 90 percent reduction in diesel sulphur?

MR. MANDEL: Sulphur is a poison, and it must be removed from the fuel. It's particularly important to remove it in the context of this rule, because that enables the after-treatment technologies. That is the systems approach to what EPA's proposing, and I think that's the specific benefits of the package you put together.

So without getting to the ultra-low levels of sulfur that we are recommending, we are not going to be able to enable the technologies that get to those very

low levels that the Agency is seeking.

We have not calculated, although we will try calculate whether we think without after-treatment we can get additional NOx and PM benefits along the lines of 20 percent. (Inaudible) -- so far reducing emissions by 90 percent.

But to get the additional reduction, we need after-treatment. And after-treatment needs no sulfur in the fuel quality.

MS. OGE: Thank you.

MR. BERTELSEN: I have to say over the years many times I have disagreed and sometimes I have agreed, but I to have to say on this point we completely agree with the Engine Manufacturers.

Very low sulfur fuel is absolutely essential. A 50 ppm sulfur fuel, I can tell you that if that level is set, work on NOx adsorber technology will cease. Obviously we would prefer to operate in a sulfur free environment, but what we are seeing now is that it is possible to apply this technology.

50 ppm, unfortunately, is out of the question. And I truly believe that work on that technology will cease for filter technology. Again, we feel it's very, very important to have the very low sulfur fuel to have this technology completely

effective and to ensure the ability of (inaudible).

We will provide additional comments, but I hope that will provide you a sense of where we are.

MR. BECKER: Bill Becker with STAPPA and ALAPCO. It's a very good question, Marge, because the difference in NOx reduction between the oil industry proposal and the EPA proposal, if it's 20 percent, 30 percent, or 60 percent, will have to be made up someplace else.

Air pollution, as we all know, is a zero sum game. And to the extent that the oil industry proposal goes into effect, the serious gap between the effectiveness of that proposal versus EPA's proposal, will have to be made up on the back of some other sector of the economy, including mom and pop businesses.

So while the oil industry is suggesting that there is an economic effect on their operations, there will be a much more serious effect on the operations of mom and pop businesses around the county, who will be required by necessity to make up that difference. And that's an important issue to governors and state and local regulators around the country.

MR. KASSEL: Richard Kassel from NRDC, just very briefly. I defer to EMA and MECA on the

engineering that underlies these products that are being developed. But I think it's important to come back to the health issue -- the asthma, the cancer, the other health impacts that we've heard about and will hear about today -- and realize that the lowest possible sulfur will create the greatest possible emission reductions. And by virtue of that, the greatest possible health benefits.

The world is already developing moving towards a consensus that low-sulfur diesel has to move beyond. It needs to move to perhaps a 10 part per million cap, as Sweden is doing, as the European community is discussing. (Inaudible.)

That's where -- if we are to lead in terms of cleaning up diesels and providing maximum health benefits -- those cleaner vehicles, that's where we need to go to. And I think that we've heard very promising testimony from the engineering side on that.

MS. OGE: I would like to thank all of the panel members for coming here to testify in this very important proposal. Thank you very much.

I would like to ask for the following -- I guess we have members of the public and also we have different organizations. David Levy, Mr. Charles Franceshini, Ms. Alice McIntosh, Mr. Corey Bearak, I

believe, Samara Swanston, and Mr. Alan G. Hevesi, please come forward.

MR. DAVID LEVY: Good morning. My name is David Levy, and I am an independent environmental activist and political consultant from Staten Island, New York.

I'm here today for two reasons: I'm very excited by the EPA's proposed new rules, and I am very concerned about the lobbying blitz that I expect from the oil industry to have those rules rolled back.

I got involved in air pollution issues for the following reason: I used the bicycle to work in Manhattan, I don't bicycle any more. If you have ever bicycled, you move as a city bus that (inaudible). In addition to the usual comments of belching of delivery trucks, you find yourself blasted with hot putrid exhaust, only to have this happen all over again.

I used to get behind buses all the time, I used to combine my cycling with my exercise routine and commuting, but I stopped because I read that one should not exercise in polluted air. What's the cost to me? Commuting costs. I have to work out separately. I lose about three hours a week.

I also would like to add regarding bicycling, I hesitated purporting go that comment because the

current state of affairs in this country is that bicyclists are virtually laughed at on the city streets. And this eventually is going to have to change if we're going to have a sustainable life from now and on and into the next several centuries. So cycling is not a minor consideration, it's going to be become a very major consideration over the next few years. Especially as global warming is becoming a major issue.

Finally, as I return to home on Staten Island Ferry and see (inaudible) I think: "We don't have to live this way."

I won't go into detail on the myriad advantages of the proposed rules, since other advocates have and will do that; however, I will just touch on these rules are the best initiative for reducing vehicle pollution since lead was removed from gas in the 1970s. That's over 25 years ago. And it's none too soon. That would be tantamount to removing (inaudible) at a cost of only 3 to 4 cents a gallon. Is it worth it? I think so.

Residents of New York are assaulted every day with toxic fumes that causes lung cancer, asthma, and other respiratory diseases. (Inaudible) I don't see why we to have wait five years in order to see ultra

low-sulfur fuel come on the market.

And, lastly, given that there are currently 1 million trucks on the road that are specifically manufactured to meet the (inaudible.), I urge the EPA to require ongoing emissions testing. That's not testing out of factory, but ongoing emission testing to ensure that this sort of criminal behavior never happens again.

Regarding negative health impact you will hear several witnesses showing through scientific studies (inaudible). However, you will not hear defenders of the status quo demonstrating through scientific studies how harmless diesel pollution is. Why is that?

What happened to the precautionary principle? The principle states that a substance should not be introduced into common use until it has been proven safe. Why does the burden of proof always fall on the public?

Humans have introduced over 200,000 new chemical compounds into the environment in the last two centuries. If the precautionary principle had been used, we would have avoided disasters like (inaudible), mercury poisoning, Love Canal, and tens of thousands early deaths due to pollution annually.

According to the US (inaudible) educations funds (inaudible). The oil industry contributed to congressional candidates. In addition, the oil industry devotes dollars to paid lobbyists or former elected officials who know the ins and outs of governments and of the oil industry. If it hasn't already done so, it will probably (inaudible) a publicity blitz to convince the America public to think jobs will be lost (inaudible.)

Over regulation. What do we citizens have to counteract that? Very little. We have the public advocacy groups like the American Lung Association, the PIRGs, environmental justice groups, etcetera. We (inaudible) while the journalists listen to experts on the industry payroll.

The only people standing between us and a continuation of dirty air, respiratory distress, and environmental degradation are (inaudible) as 2000 protesters showed last week in Calgary. People are tired of watching the oil industry manipulate the political process to the detriment of environmental and public health. I don't bicycle any more. Why? Too much danger of accidents and too much pollution.

Please pass the proposed rules on a faster schedule so I can ride my bicycle, and so that people

yearning to breathe free can finally do so. This is only a step in making our cities livable again, but a very significant one. Thank you.

MS. OGE: Thank you. Mr. Franceshini.

MR. CHARLES FRANCESHINI: I'm a resident of Staten Island. I live approximately 200 yards from the MTA bus depot in Staten Island. I began fighting with them for idling their buses for years. During the summer and during the winter you can't even walk outside the door, because they continued to idle the buses. I have a 14-month old grandson, and he's asthmatic. You know. And I called the DEP, the EPA, and they laugh at me: You're going after the MTA?

This is what happens with them. You have just one big circle. I wrote to the government, to the Mayor, to the borough president -- and nothing. Now, they are extending the bus depot. Now they're going to be ten feet away from me. When is this going to stop? When they kill everybody in the neighborhood?

I have been fed up with them because I say to them, I says: All the money that you spend on idling the buses during the winter time and during the summer, you could do something about this, about keeping the buses warm. You know? I could have been paying the whole Staten Island -- maybe the fuel bill for all of

Staten Island.

This is only one location. I notice that other people in Bensonhurst have the same problem, you know. And they they're looking to raise fares to buy more diesel. Thank you very much.

MS. OGE: Alice McIntosh.

MS. ALICE MCINTOSH: I'm Alice McIntosh, and I am public health education consultant here in New York City, and currently doing some work with the Pulmonary Division at Harlem Hospital as their senior public health educator.

I wanted to say a couple of things about what is proposed today. With increasing efforts to improve the quality of life for patients suffering with chronic and often debilitating diseases like asthma, determining health status must go beyond diagnosing and treating disease.

Patients want to enhance the quality of care they receive, as well as the quality of their lives, as they cope with their illness. We have learned that asthma presents special problems for its sufferers and their ability to self manage.

As health care providers, whether we are health education specialists, physicians, nurses, or pharmacists, we must be particularly creative in our

approaches to care. We work very, very hard to treat and educate our patients, but how can we increase patient self-efficacy and compel our patients to self-manage when we send them to homes with mold, mildew, peeling lead paint, and streets cluttered with exhaust from diesel engines knowing that these and other factors exacerbate the afflictions?

If EPA's program is implemented as proposed, diesel trucks and buses will be 95 percent cleaner, particulate levels 95 percent below current levels, nitrogen oxides 95 percent below current levels, and sulphur content reduced by 95 percent.

The impact of this rule will be far reaching for cleaner air and for the health of residents in New York City, particularly those suffering with asthma, thank you.

MS. OGE: Thank you.

MR. COREY BEARAK: My name is Corey Bearak, and I work as legislative counsel for Bronx Borough President Ferrer. Thank you for this opportunity to comment on the proposed rules.

Last Thursday the borough president unveiled a program to promote the use of clean air vehicles. This program required the use of government purchasing power to develop (inaudible) for our school buses, MTA,

and taxies to operate on clean air technology.

The borough president urges the US to adopt the most stringent rules rather than a phase-in to 2010, and full implementation no later than 2007. That adoption will help drive local, state, and regional efforts, including the borough president's ten-point strategic clean air plan. (inaudible).

The government must not allow (inaudible) and exacerbate the symptoms of asthma. As a former chair of the health committee of the city, I (inaudible). Hospitalization just under 10,000 in the New York City and (inaudible).

We must seize the opportunity to make a difference. The borough president also urges (inaudible) mandate city and state to convert to the (inaudible reading from the borough president's plan). We are also pleased that the National Resources Defense Counsel (inaudible).

The key point to make is that by having these stringent rules, it helps drive the local plans and local initiative to move forward to get to clean air at the earliest possible stages, and that would make the biggest difference.

MS. OGE: Thank you. Good morning.

MS. NANCY ANDERSON: My name is Nancy

Anderson, I'm the senior environmental advisor to the New York Comptroller, Alan G. Hevesi.

I am pleased to be here on the comptroller's behalf to express his support for the rule proposed by the United States Environmental Protection Agency that would lower the permissible level of sulfur in diesel fuel by 97 percent in 2006.

Let me take this opportunity to applaud the EPA for proposing a rule of such importance to all Americans, and also let me congratulate the American Lung Association, West Harlem WE ACT, the Natural Resources Defense council, and other groups for their tireless efforts to solve the problems of diesel pollution.

New York City, connected directly to the mainland of the United States only in the borough of the Bronx, is particularly reliant on diesel trucks for the movement of goods and the export of solid wastes because it lacks convenient rail-freight links.

Although air pollution coming from cars, factories, and incinerators has been substantially reduced since the 1970s, air pollution coming from diesel-powered engines and distant coal burning power plants remains a chronic problem. Adding to this chronic problem is the fact that our robust national

economy is accompanied by more vehicle miles traveled every year. In turn, this means more diesel fuel is being consumed, and this means more air pollution and public health problems.

Recently, increasing sales of popular SUVs has introduced another source of microscopic particulates and nitrogen oxides to our environment and our lungs. The combination of all these factors in a city dominated by urban canyons that trap air pollution, helps explain why New York City has been in chronic non-attainment for regulated particulate standards under the Clean Air Act.

Of particular significance is the New York State Department of Environmental Conservation estimate that over half of the breathing level particulate matter in Manhattan comes from diesel tailpipes.

The rule under discussion here today will improve the lives of 8 million New Yorkers by enabling them to breath easier and be healthier if it is adopted.

The EPA is correct to focus its efforts on both diesel fuel used by heavy-duty vehicles and the vehicle engines themselves. By requiring the 97 percent reduction in sulfur and diesel fuel from 500 parts per million down to 15 ppm, smog-causing nitrogen

oxides will be cut by 95 percent and particulates would be cut by 90 percent, as has already been testified to.

These dramatic cuts in pollution can only be achieved through EPA's two-pronged approached, because the pollution control equipment that will be installed on diesel engines can properly function only if the sulfur is removed from that diesel fuel.

What will the adoption of these proposed rules mean in human health terms for New Yorkers?

According to the New York City Health Department's publication in 1999, "Asthma Facts," asthma is the leading cause of hospitalization in New York City children aged 0 to 14.

In 1997 14,780 children were hospitalized for this disease. This translates into an asthma hospitalization rate of 10.2 per 1000 for city kids 0 to 14 in comparison to the national rate of 3.7 for the same age group. That's almost three times as high. The hospitalization rate for New Yorkers of all ages during 1997, 33,348 admissions for asthma were recorded.

The Health Department has reported that hospitalizations for asthma are strongly correlated with socioeconomic status. During 1997 the asthma

hospitalization for children 0 to 14 from Manhattan's Central Harlem/Morningside Heights community was 28.8 per thousand. In Staten Island's South-Beach/Tottenville, the rate was much lower, 2.4 per thousand.

Many of the city's low income neighborhoods are located proximate to major industrial hubs, such as the Hunts Point area in the South Bronx. Hunts Point is home to the city's central produce market as well as many waste transfer stations, and both industries are truck reliant. Adopting the low-sulfur diesel regulations would greatly benefit such communities.

While science cannot tell us that asthma will be eliminated when airborne particulate pollution is eliminated, science does give us reason to believe that the scourge of asthma can be controlled. According to the National Jewish and Medical Research Center in Denver, people with asthma suffer from chronic inflammation of their airways; therefore, by definition they are particularly sensitive to such airborne irritants that make asthma worse.

Both fine particulates and oxides of nitrogen are of concern here. The American Lung Association describes particulate matter as a combination of fine solids and aerosols. Particles of special pulmonary

concern are the very small ones, those less than 2.5 microns in diameter.

Fine particulates are easily inhaled deep into the lungs, where they can be absorbed into the bloodstream or remain embedded in the lungs for a long time. Therefore, they pose particular health threats to people with asthma and other chronic pulmonary lung diseases, including bronchitis and emphysema. Recent research also links exposure to premature death in the elderly, and for those with preexisting lung and heart disease.

In conclusion, I urge the Environmental Protection Agency to adopt this proposed rule requiring a 97 percent reduction of sulfur in diesel fuel by 2006; it's a lifesaver.

MS. OGE: Thank you. Mr. Swanston.

MR. SAMARA SWANSTON: Thank you. My name is Samara Swanston, I'm the Executive Director of the Watchperson Project of Greenpoint/Williamsburg. I'm also the (inaudible) and vice chair of the New York City group of the Sierra Club.

Greenpoint and Williamsburg have high rates of environmental disease, including cancer and asthma and low birth rate. Babies in particular. We have (inaudible) elevated rates of cancer, including child

leukemia. We have an asthma rate that is triple the national average, and high rates of low birth rate. Interestingly, we have high numbers of people in their fifties dying of lung cancer who never smoked cigarettes.

Greenpoint and Williamsburg also have a significant number of environmental facilities that emit air pollution. We have 12 major sources of air pollution. We have (inaudible) sources of air pollution, and we have 22 waste transfer stations, which is half the permitted capacity of the City of New York. Each and every one of those served by diesel truck fleets.

We support the new low-sulfur diesel fuel because we believe it's more protective of the health of children. Public health studies show that heavy truck traffic exacerbates asthma. (Inaudible) in the city of New York asthma also a killer and I had two asthma deaths in the family. My daughter has asthma now.

Public health studies also show that the fetal growth is impeded if exposed to particulate matter during pregnancy. And, of course, we know that the current diesel (inaudible.) You simply cannot drive through the streets of Greenpoint and

Williamsburg without being either stuck behind trucks that are packing or making a delivery, or next to an idling truck.

And we call on the EPA to visit our community so that they can see the impact of diesel emissions on our communities.

We applaud the new standards, because we believe it's a step toward protecting the health of children and adults in Greenpoint, Williamsburg, and statewide. Thank you very much.

MS. OGE: I would like to thank you for taking the time to come in and testify this morning. Thank you very much.

Mr. Shin, good morning. We'll start with you.

MR. ROBERT SHINN: I am Bob Shinn, the Commissioner of the New York Department of Environmental Protection. I would like to thank the US EPA for the opportunity to comment on heavy-duty engine and vehicle standards and highway diesel fuel sulfur control proposal.

I am pleased to support the agency's efforts, which are most critical to the health and welfare of our residents. This EPA proposal which will establish new emission standards for the model year 2007 and

later heavy-duty diesel and gasoline engines, also provides for low-sulfur diesel fuel with a cap of 15 parts per million to enable new engine technology to meet standards. (Inaudible) proposal measures are critical not for attainment, than for the maintenance of the National Air Quality Standards for ozone.

This is especially important for the New York/New Jersey air quality control region. New York and New Jersey will have (inaudible) just to attain the standard prior to the target year 2007.

Even more daunting for us will be the task of the meeting the more stringent health based eight-hour standards. As you all are aware, this new standard is currently scheduled for review after the US sent (inaudible) to EPA for further justification. I am optimistic that when the dust settles, good judgement will prevail.

We must act with the expectation that we will need to comply with such a health based standard in the near future. (Inaudible) to protect public health, which means the air in this region will continue to be unhealthy.

Also of concern to us in the region is fine particulate. This proposal will clearly provide a major impact on this pollutant which, in the past and

(inaudible) which directly impinges upon the public's perception of New Jersey (inaudible) that many areas of the state, particularly urban areas, will be unable to meet the PM standard. (inaudible) as part of its daily care quality index.

Since May 1st we have recorded eight days that exceeded code for PM 2.5. That is eight days when fine particulates reached unhealthy levels for the same (inaudible) which ozone registered as code orange or code red.

(Inaudible) we expect to see reductions, thanks to New Jersey's enhanced inspection and maintenance program for heavy-duty diesel engines. This program alone cannot adequately address the problem. The EPA's efforts in this regard are thus critical to the success (inaudible) and ozone reduction strategy.

We also share EPA's concerns with diesel exhaust as a likely human carcinogen, which also causes respiratory and cardiovascular disease. We in New Jersey are concerned with reducing (inaudible) emit into our air. EPA's soon-to-be-released 1996 National Air Toxic Assessment is likely to show that almost a third of the 34 most critical air (inaudible) in New Jersey are generated by on-road sources.

This proposal should make important strides in addressing this pollution from on-road sources.

Just as critical are non-road emissions. (inaudible) EPA's announced intention to pursue further controls for these engines in the coming years is vital, and we will be rigorous advocates.

We have long known that New Jersey is responsible for a significant portion of the very air pollution we are seeking to control with today's proposal. In fact, the same 1996 inventory is likely to show that (inaudible) for more than half or 52 percent of the total statewide air toxins. As we continue to reduce emissions from highway sources, the percentage contributed by non-road engines can be expected to grow.

To be sure, the states have not be been idle in addressing this issue. For example, beyond our own emission checks from heavy-duty trucks and buses, New Jersey is actively contributing to regional pollution reductions projects. (Inaudible) fleet of heavy-duty vehicle for the Department of Transportation in New Jersey will be retrofitting up to four thousand (inaudible) with PM oxidation catalyst.

Secondly, New Jersey Transit plans to test new diesel buses using advanced (inaudible). New

Jersey Transit also has begun a (inaudible) which success will also (inaudible) the retrofit controls.

Finally, on a regional level, we will be working with necessary come to test about 20 heavy-duty trucks which have been retrofitted with (inaudible). This effort is part of the Department of Justice's efforts to help remedy excess NOx emissions caused by manufacturer's use of so-called "defeat devices." In the proposal, the EPA asks for comments on a number of which are considered, but not included, in the proposed program design. The alternative option included a phase-in of the low sulphur content cap and an average sulfur standard of 25 parts per million.

Because our region depends on the adoption of the most stringent program designs, we support EPA's decision to (inaudible) any phase-in of the low-sulfur standards, for example, will jeopardize the effectiveness of the new advanced control technology, which must rely on low-sulfur fuels.

Finally, we have long recognized the importance of implementing not just state, but regional and national ozone sources. New Jersey has worked actively with (inaudible) by the ozone transport assessment groups to come up with regional solutions to ozone and NOx. Transport motor vehicles (inaudible),

which makes localized control measures of limited effectiveness.

Therefore, I strongly support this proposal because it provides a national fuel standard. Early this morning as a member of OTC, I wrote a (inaudible). The OTC declared its support on the proposed cap of sulfur in on-road diesel of 15 parts per million. The OTC urged EPA to finalize rules during the 2001 period to subject non-road fuel to the same standards. (Inaudible) urge EPA to (inaudible), so that highway and non-road diesel operate as cleanly in reality.

Finally, the OTC resolved to continue to examine the need for more timely and more aggressive implementation as may be necessary to meet National Air Quality Standards. Thank you again for this opportunity to comment. We look forward to continuing with (inaudible) efforts.

MS. OGE: Thank you very much. I understand that there are two members of the public that are interested in testifying prior to 12 o'clock, and I will ask them to come up here.

MR. RED CAVANEY: Thank you members of the panel. I am Red Cavaney, president and CEO of American Petroleum Institute, which represents all sectors of

America's oil and national gas industry.

Thank you for the opportunity to testify on an issue of such importance to our members, to US consumers, and to our nation. I also want to express our appreciation for your willingness to meet with us earlier during your planning and preparation of the diesel sulfur proposal. Sound regulations are difficult without an exchange of information between government and industry, and we hope this can continue.

EPA and our industry agree that the sulfur content in diesel fuel must be substantially reduced and, as you know, API proposed a 90 percent reduction last winter. Reducing sulfur in both diesel fuel and gasoline is key in reducing vehicle emissions.

Your latest air quality report shows that emission reductions from cleaner vehicles powered by cleaner fuels made up more than two-thirds of the total national decline in criteria pollutant emissions between 1970 and 1998. This is the single most important reason why Americans today are breathing cleaner air and experiencing fewer health concerns related to air pollution.

As the industry responsible for fueling all of our nation's consumers, we are concerned that the

Agency's diesel sulfur proposal -- which would reduce sulfur 97 percent -- risks too much by going too far, too fast we. We believe EPA's proposed rule will degrees the total volume of diesel fuel produced, falling short of satisfying clearly rising consumer demand. The national Petroleum Council, in a "soon to be released" report on behalf of the US Department of Energy, calls the risk of inadequate supplies "significant."

Consumers need not face this risk. By adopting the 90 percent reduction we have recommended, the chances of disrupting diesel supplies would be greatly lessened, yet emissions would still be cut substantially. We believe that a 90 percent reduction in sulfur is right. That is the amount of reduction the agency is requiring of gasoline sulfur -- and how much EPA said diesel sulfur content should be lowered in a press release last October.

Were EPA to disregard our 90 percentage reduction initiative and go forward with its rule as proposed, a number of refiners will certainly elect to make the requisite, considerable investment to meet the rule. However, this is not the entire picture.

Total US diesel fuel supply and demand are in reasonable balance. For investment return levels

and/or other reasons, a number of refiners will likely not undertake EPA's costly sulphur reductions, choosing instead to make other products. Yet other companies will end up producing less of the new diesel than current diesel capacity. All of these actions will have the effect of reducing overall diesel capacity and creating supply/demand imbalances. Upward cost pressures on supply will be considerable.

Making the ultra low-sulfur diesel that EPA proposes will require huge refinery investments, closer to $8 billion than the $4 billion the agency has estimated. The difference can be explained by the failure of EPA to adequately take into account the difficulty and expenses of removing sulfur from all of the refinery streams that will have to be used in order to make ultra low-sulfur diesel.

Additionally, distribution problems are likely to affect supply. Refiners will have to move ultra low-sulfur diesel to market using common pipelines and storage facilities, risking contamination of some of the volumes from the sulphur residues of the other fuels having to utilize those same facilities. This may force costly reprocessing or downgrading of portions of each batch of ultra low-sulfur diesel, further decreasing available supplies.

The majority of the America's goods move by truck. We estimate that EPA's proposal could add $2,600 to the cost of a trucker's annual operations in higher diesel fuel costs. This does not include the additional cost of emission control hardware, which could be several thousand dollars per truck; nor does it factor in other time and inconvenience costs associated with less readily available diesel supply.

Higher costs could also hurt others, including businesses with small fleets of vehicles like bakeries and nurseries and the like, and, ultimately, all consumers.

Has the agency considered how consumers and others might be protected, if supply and cost dislocations come to pass? A waiver certainly wouldn't be practical, because it would expose new trucks to higher sulfur diesel, which, according to EPA's own assessment, could damage the emission control equipment needed to meet the proposed diesel exhaust standards. In the near term, increase imports probably wouldn't be able to fill big gaps, because few foreign refiners will be making the same diesel. And foreign producers also have their own capacity constraints. Eventually, US or foreign refiners may well expand capacity to provide additional supplies, but this would require

installation of new equipment, a process that could take years.

No one can predict with 100 percent confidence what might happen, but given the volatility we have seen in the fuels markets this year, are the risks described worth taking? Are the small or nonexistent additional benefits EPA's proposal is likely to achieve worth this gamble?

According to a study by a well-known automotive engineering consulting firm, the most advanced vehicle emissions reduction technology that we know will work reduces emissions about the same with either fuel. EPA hopes that a different technology will be used, but it takes the facility to support this belief. According to the agency, this technology has not advanced to the field trail stage. And, in preliminary laboratory tests sponsored by industry and government, it has not cut emissions to the levels EPA wants no matter how much sulphur was reduced.

In short, there's a strong likelihood that going to the 90 percent reduction and the latest SCR technology would provide essentially all of the air quality benefits that are possible, save billions of dollars for consumers in the process, and greatly decrease the risks of a considerable diesel supply

shortfall.

We encourage EPA to carefully consider the concerns we have raised today. Cleaner air demands that we reduce diesel sulfur, and we have volunteered to do so by a significant amount -- 90 percent. Too severe a reduction could result in unintended negative consequences for consumers and for the industry. With reasonable adjustments to EPA's proposed rule, we believe these can be minimized.

Providing a dependable supply of fuel at affordable prices is what consumers want. Working constructively together to address the full range of potential impacts on consumers, the agency, and industry can provide both significant emissions reductions and a reliable fuel supply. Consumers deserve no less than full-faith efforts by each and every one of us. Thank you.

MS. OGE: Thank you. Mr. Billings, good afternoon.

MR. PAUL BILLINGS: Good afternoon. My name is Paul Billings, I'm the assistant vice president of Government Relations for the American Lung Association.

The American Lung Association is pleased to support the low-sulfur fuel and heavy-duty vehicle

rulemaking. We strongly support the low-sulfur diesel provisions and view the cap of 15 ppm on diesel sulfur as the critical element of the rule.

I want to highlight the urgent public health need to clean up diesel fuel and heavy-duty vehicles, and show the overwhelming public support for this program as demonstrated by a recent public opinion poll. In addition, I want to suggest to the EPA how accelerating the implementation would enhance its efficacy.

The most critical element is the 97 percent reduction of sulfur. We commend EPA for proposing this level. EPA must cap the sulfur in diesel fuel at no higher than 15 ppm, and must fully implement the fuel sulfur rule no later than mid-2006, nationwide. No two fuels: One fuel nationwide.

Cleaning up diesel fuel and heavy-duty vehicles is necessary because the air is dirty. Diesel engines contribute considerable pollution to our continuing air pollution problems. Even with more stringent heavy-duty highway engine standards set to take effect in 2004, these engines will continue to emit large amounts of nitrogen oxides and particulate matter, both which contribute to serious health problems in the United States. These include premature

mortality, aggravation of respiratory and cardiovascular disease, aggravation of existing asthma, acute respiratory systems, chronic bronchitis, and decreased lung function.

Numerous studies also link diesel exhaust to increased incidents of lung cancer. The "National Toxicology Program's 9th Report on Carcinogens" classified diesel exhaust particulates as reasonably anticipated to be a human carcinogen.

In 1998, California declared particulate emissions from diesel-fueled engines as a toxic air contaminant, a probable carcinogen requiring action to reduce public exposure and risk, based on data that supported the links between diesel exposure and cancer.

Nitrogen oxides contribute to ozone, commonly know as smog. Ozone is a powerful respiratory irritant. Symptoms include shortness of breath, chest pain, wheezing and coughing. Research on the effects of prolonged exposures to relatively low levels of ozone has found reductions in lung function, biological evidence of inflammation of the lung lining, and respiratory discomfort. Researchers liken ozone exposure to a sunburn of the lungs. Studies of animals found an increased susceptibility to bacterial

pneumonia infection.

Ozone triggers asthma attacks. People with chronic bronchitis and asthma already suffer from reduced lung function and therefore cannot tolerate an additional reduction in lung function due to ozone exposure.

The health risks from diesel exposure is greatest for children, the elderly, people who have respiratory problems or who smoke, people who regularly exercise strenuously in diesel-polluted areas, and people who live or work near diesel exhaust sources. Studies have shown that the proximity of a child's residence to major roads is linked to hospital admissions for asthma, and there is a positive relationship between school proximity to freeways and asthma occurrence. Truck and traffic intensity and exhaust measured in schools were significantly associated with chronic respiratory symptoms.

Diesels are a large source of particulate pollution. Particles of special concern to the protection of lung health are know a fine particles, 2.5 five microns in diameter. Fine particles particulates are easily inhaled deep into the lungs where they can be absorbed into the bloodstream or remain embedded for long periods of time. A recent

study showed a 17 percent increase in mortality in areas associated with high concentrations of small particles.

Recent research has also linked the exposure to relatively low concentrations of particulate matter with premature death. Those at greatest risk are the elderly and those with preexisting respiratory and heart disease.

To understand how far we have to go to clean the air, one need only look a day earlier this month, Saturday, June 10th. Preliminary data, from the Mid-Atlantic Regional Air Management Association, show on this particular Saturday, 144 monitors in eight states from North Carolina to New York and the District of Columbia had ozone levels above the .08 ppm eight-hour standard. Millions of people live in this region. Twenty-six monitors reported air pollution above the .12 ppm one-hour standard, including peaks of .146 ppm in Fair Hill, Maryland; .147 ppm in Norristown, Pennsylvania, and .145 in Riverhead, New York, in Suffolk County on Long Island.

Ozone remains a pervasive and immediate health threat for millions of Americans. The public overwhelmingly supports the clean up of trucks and buses. In a nationwide public opinion survey conducted

earlier this month, nearly nine out of ten Americans believe that big diesel trucks and buses should be required to use the best available pollution control technology. In addition, the survey found that nearly seven of ten believe that cleaner diesel fuel and stricter diesel vehicle standards will require less than five years.

The public wants this soon. On the critical question of diesel fuel 85 percent of survey respondents believe that up to 4 cents a gallon is a reasonable price to pay.

As I indicated earlier, the American Lung Association strongly supports the EPA proposal. In our written comments we will address many of the specifics raised in the proposal. I will highlight the most critical elements here.

We strongly endorse the levels EPA has proposed. We support the 90 percent reduction of particulate matter to 0.01 grams per brake horsepower-hour standard and the 95 percent reduction of NOx to the O.2 standard. We are pleased that EPA is calling for the particulate standard to be fully implemented by 2007.

However, we believe the four-year phase-in period proposed is unwarranted and unnecessarily will

postpone the needed air quality benefits. We call on EPA to require 100 percent of the new vehicles to meet the 0.2 grams per brake horsepower-hour NOx standard in 2007.

Once again, we reiterate that the most critical element of this rule is the 97 percent reduction of sulfur in diesel fuel. EPA must cap the sulfur in diesel fuel at no higher than 15 ppm and must fully implement the fuel sulfur rule nationwide no later than June 2006.

The American Lung Association also supports the development of a Blue Sky performance standard for truly clean technologies, and we will further expand on this concept in my written comments later.

In conclusion, some, especially in industry, will say that the air is getting cleaner so cleaning up diesel fuel and heavy-duty trucks is unnecessary. Some data do show that the air pollution levels in some cities are lower than they were than a decade or two ago. Congratulations, it is tribute to the clean air strategies implemented so far.

But this is not true for all areas of this country. In some areas, air pollution is increasing.

As a parent of two small children, I don't care that the air used to be even dirtier. I care

about the air my children are breathing today. The fact is that the air that my kids are breathing is still unhealthy is unacceptable.

We know much more about the health effects of air pollution today than we did in 1980 or even 1990. We know that exposure to ozone at much lower concentrations poses health risks, including the exacerbation of asthma. We know that particulate pollution has been linked to premature death. We know that diesel exhaust has been linked to cancer.

With all we know about air pollution health effects, we do not need more delays. The American Lung Association urges the immediate adoption of the low sulfur diesel/heavy-duty vehicle rule.

MS. OGE: Thank you.

MR. PAT CHARBONNEAU: My name is Patrick Charbonneau. I am Vice President of Engine Engineering for International Truck and Engine Corporation. Which, as many of you know, formerly was known as Navistar.

I'm here today to discuss EPA's proposed model year 2007 emission standards for heavy-duty engines, as well as the agency's proposed on-road diesel fuel quality requirements.

At the outset, International commends the EPA for its landmark proposal to address heavy-duty

emissions through a systems approach involving both fuel quality and engine technology.

There is no question that diesel engine technology is making dramatic strides in emissions control. As we know, the availability of ultra-clean diesel fuel is a prerequisite toward meeting the challenging new emissions standards beginning in 2007. And with the clean diesel fuel, we can count upon the advanced NOx and PM after-treatment technologies needed to achieve unprecedented emissions reductions.

For that reason, we are pleased that the EPA is mandating fuel that will enable these advanced technologies to be used on all heavy-duty engines.

International is investing hundreds of millions of dollars in the development of new technologies for all markets -- heavy-duty and light-duty -- where our engines are sold. We are re-inventing all of our engine lines through revolutionary engine redesign and the development of advanced after-treatment technologies.

Our technological breakthroughs will allow us to achieve unparalleled emissions reductions. Indeed, we are developing "green diesel" technology today that, with clean fuel, has already demonstrated the capabilities of particulate filter technology to reduce

hydrocarbon and PM emissions to levels that are at or at least below what agency is proposing in 2007.

In that regard, it's important to note that progressive oil companies are already making 15 parts per million diesel fuel commercially available. These oil companies have earned recognition and our applause for their efforts to bring clean diesel fuel to the marketplace early.

With this ultra-clean fuel available so soon, International will commercialize its "green diesel" engine technology next year, and thus achieve EPA's proposed MY 2007 hydrocarbon and PM emission standards six years ahead of schedule. This is just one example of the impressive environmental benefits that accrue from a systems approach involving both clean fuel and clean engines technologies.

I also commend the agency for its willingness to phase-in the proposed NOx standards. We strongly support a NOx phase-in approach, which underscores the challenges facing industry in meeting NOx control targets. The EPA's proposal goes far in addressing these technological challenges, but we believe that we could do even more without compromising important environmental objectives.

In that regard, I'm pleased to say that

International, along with EMA, soon will be presenting to EPA a new NOx phase-in proposal.

Under this proposal, there would be a single NOx emissions standard for all engines in 2007. The NOx standard in 2007 would be significantly below the NOx standard applying to MY 2006 engines. Then, in 2010, the NOx standard would be stepped down to a new and significantly tighter NOx standard. Importantly, this proposal will meet and exceed targets in this rulemaking, while at the same time providing manufacturers with needed flexibility to meet those targets.

For these reasons, we believe that the agency will find this proposal to be a win-win for consumers and the environment alike, and I am looking forward to discussing this in greater detail.

We also believe that it will be critical for the agency to conduct a narrow technology review to confirm the status of the NOx adsorber technology, which is the NOx after-treatment technology of choice in meeting -- and EPA's basis for selecting -- the proposed NOx emissions targets. A mid-term technology review will allow us to assure that NOx adsorber development is on schedule to meet the agency's objectives.

In closing, I wish to reiterate International's strong support for EPA's proposal to reduce diesel fuel sulfur levels, which will enable the use of NOx and PM after-treatment technologies needed to achieve the agency's reduction objectives. We look forward to discussing in our written comments these and other technical details of EPA's proposed rule. I thank you for giving us the opportunity to present International's views today, and I'll be happy to answer any questions you may have concerning my testimony.

MS. OGE: Thank you. Mr. John Huber.

MR. JOHN HUBER: On behalf of the Petroleum Marketers Association of America (PMAA), we would like to commend EPA for moving diligently forward to improve diesel emissions.

Diesel vehicles are the backbone of industry, they deliver products locally and nationally. They bring soda to the local stores; cement and asphalt to construction sites, and supplies to all businesses. Additionally, diesel powered buses transport commuters and tourists throughout the country.

Improving emissions from these vehicles is vital and supported by the petroleum industry, the truck manufacturing industry, and users of these

vehicles. Curtailing emissions from these vehicles will be appreciated by the American public and is an extraordinarily worthy goal.

However, in improving the emissions performance of these vehicles, EPA has many challenges. First and most importantly, substantial gains in emissions must occur. Second, and more difficult, is to ensure that the program itself and the costs associated with the program will not deter or prevent the program from being successful.

EPA has done substantial research and analysis to adopt an aggressive program to reduce emissions, and should be applauded for those efforts.

PMAA, however, is concerned that the program proposed may have some problems associated with implementation, and urges EPA to be extremely cautious in those areas.

A diesel truck is essentially a rolling factory, with a chassis, an engine, and either a cargo bed or cement mixer or other equipment over the chassis. The operators of the trucks make rational decisions on component replacements whether to buy new trucks or to rebuild components, including the engine. Diesel engines can last an extremely long time, and many of the diesel-powered vehicles used in a

metropolitan area will tend to be low mileage vehicles, whose engine life-span can be extremely long.

It is PMAA's opinion that for air emissions to improve, neither the new vehicle nor the fuel that will power it should encourage the operator of the vehicle to defer purchasing the new engines and the new fuel by rebuilding his current engine.

If such incentives occur or anticipated to occur, we may see trucking companies purchasing record numbers of trucks in 2005 and early 2006, buying engines to put in their existing trucks with the goal of avoiding the new trucks and the new fuel. An article in "Transport Topics" earlier this year examined the number of tractors sold in 1999; that numbered shattered the previous record by nearly 20 percent or 50,000 units.

However, as 2000 developed, production seems to be way down. The original equipment manufacturers were turning their attention to this huge inventory of used trucks in the market, and that the pressure from these trucks was dampening sales in 2000. Volvo indicated that they were cutting production in their Virginia factory.

If this were to occur with this important program or an amplified effect, then there would be

fewer of the cleaner trucks in the market. And depending on how EPA decides to phase-in the new fuel, we could end up in a vicious cycle where the new fuel is underproduced, which drives the price up, which deters new vehicle sales. Such a vicious cycle could derail the program for a period of time, and would almost certainly defer the gains that have been promised to the American public.

PMAA, thus, would urge the Agency to listen to the comments from manufacturers of petroleum products. They have stated to both you and I that the 15 ppm cap is overly ambitious, will be expensive, and will be outside the range for many refiners to produce economically. If this occurs, fewer refiners will make the product which will affect supply. Any supply reductions will have a strong impact on price.

Additionally PMAA believes that this low sulphur level will increase the pressure on the Administration to develop alternative phase-in provisions for the new fuel. In the proposal, EPA discusses many of these alternative approaches. PMAA does not have confidence that any will work successfully.

PMAA starts with the premise that EPA must select a diesel fuel that can and will be produced in

volumes adequate to satisfy the entire market. We would reiterate our comments submitted with the ANPRM that this is necessary and to avoid misfueling, ensure adequate supplies that are available universally, and ensure that there are no disincentives for purchasing new vehicles. However, in an effort to respond to the agency's request for information on these phase-ins, we will discuss our concerns.

The Agency discusses misfueling as a concern, and PMAA shares concerns regarding misfueling. There are a number of issues regarding misfueling that are relevant and must be considered. First, are there incentives for the consumer to use the appropriate fuel, and what harm will result from using the wrong fuel?

In examining the proposal, it appears that the 500 ppm fuel will come to the market with a much lower price. In those situations, price will be an incentive to use the old fuel. The countervailing incentives are that it may damage the pollution prevention equipment on the truck and disable the trap.

The second problem is the sharply reduced fuel mileage and possible damage resulting from the use of the wrong fuel. PMAA believes that those will serve

as significant deterrents to using the wrong fuel. However, EPA does not indicate whether the equipment can be easily disabled or bypassed. If so, the price will then become a powerful incentive to use the wrong fuel. Assuming there is a 500 ppm fuel as well as a 15 ppm fuel in the marketplace, the EPA will be tasked with preventing deliberate as well as accidental misfuelings.

Preventing deliberate misfuelings will be difficult if there is a substantial economic incentive to use the old fuel. EPA raises the possibility of changing the nozzle interface. However, while that worked in the unleaded gasoline rule, the answer is not as simple this time.

First, diesel is generally distributed through large nozzles at fuel dispensers and that can accommodate flow rates of 30 gallons per minute safely. This is typical of the equipment at truck stops, and most diesel trucks have large openings in their fuel tank. However, at many retail service stations, the diesel is dispensed through a smaller nozzle suitable for fueling vehicles. The gasoline distribution industry has a preference for using interchangeable parts, and most service stations use small nozzles.

Thus, in considering a nozzle interface, EPA

could consider having the diesel tanks have extremely small openings, which won't work for fueling efficiency, or adopt an alternative configuration for the nozzle and fuel interface. However, given the small nozzles at some service stations, EPA will have to design a very narrow lateral cut.

Of course, such interface restrictions don't recognize that most diesel trucks use saddle tanks, tanks that can readily be removed and replaced by the owner of the vehicle. Additionally, as the Agency noted, disabling or avoiding a nozzle restriction is not typically difficult.

EPA also discusses the possibility of an availability requirement. PMAA is convinced that if new trucks are required to buy the new fuel, and have not disabled the equipment, that the fuel will be available. The free market is likely to mimic some of the requirements that are now going on for alternative fuels, whereby only centrally fueled fleets purchase new trucks under this option, because that will ensure that they are able to purchase fuels for the new vehicles. It is also likely that some areas of the country will have only limited supplies of the new fuel.

In mandating and considering an availability

requirement, EPA should be extremely cautious on how it proceeds. In previous rules, and as discussed in this proposal, EPA would require sites selling diesel at a certain volume to sell the new ultra-low sulfur fuel. As EPA knows, the high volume sites are principally travel plazas and truck stops. Mandating that these sites sell the fuel would appear attractive to EPA, since it would ensure the fuel is sold throughout the country.

However, PMAA believes first that such a mandate would not be necessary, since this class of trade will configure itself to serve the market. However, in some cases, the investment may not be warranted in installing a second fueling system.

For example, in some cases two truck stops may be in competition. And if one decides to sell the fuel, then why should the other be required to sell it. Additionally, it should be noted that nearly one third of the trucks use their own fueling infrastructure. Thus, a truck stop which may be competing with these private resources will be even further disadvantaged.

PMAA is also concerned that to ensure the fuel is widely available, that service stations will be required to sell the new fuel. In that case, the

volume of the new fuel will increase dramatically and the alleged benefits of a phase-in will be forfeited at the same time the regulatory burden increases.

Further, it's clear that a low volume service station cannot make the investment to install the second tank, and would thus have to sell the new low sulfur fuel. In some cases there may be no customers needing to buy that fuel. However, he is not without competition, in the industry several companies are now fueling fleets from trucks at night.

If the new fuel costs 4 to 6 cents more per gallon, that may be enough to drive the fixed retailer out of the business. Thus, EPA in requiring availability, would be forcing him out of the diesel business, and possibly forcing him out of business.

Additionally, since all refiners will not be manufacturing the new fuel, but may instead be buying credits or may be exempt because of their size, where will these retailers get the new fuel. If they have to truck it in for 500 miles, the price will be exorbitant, and it will be wiser to stop selling diesel, since they may be competing with other customers who are selling both grades of diesel or having just the one. Thus, EPA may be mandating retailers to sell a fuel, even though they have

provided an option for manufacturers to not make the fuel.

We would now like to comment on the various ideas that EPA has suggested for phasing in the fuel.

First, EPA has suggested three possible scenarios for phasing in the new fuel with different volume levels required to be manufactured. While we recognize that EPA is attempting to provide flexibility to the market, we do not think that is the best approach.

First, as EPA certainly recognizes, matching supply and demand is extremely difficult. Under each of these phase-in approaches, the refiners will be making substantially more fuel than is likely to be consumed by the vehicles required to use it. In such a situation, supply will be greater than demand, and the likelihood of recovering costs will be lessened. This will discourage refineries from making the necessary investments to supply the demand, which may result in shortages in both the old and newer product as producers decide to forego the investment in a new fuel where EPA has fixed the game so they will not recover their investments.

As second alternative which has been suggested is refiner ensured availability. It is our

understanding of this concept that the refiners would be entitled to manufacture 500 ppm fuel in some ratio to the amount of 15 ppm fuel that they have ensured is in the marketplace. PMAA is dubious on how this will work, and believes that it could provide unique benefits to certain refineries or truck stop operators.

In closing, 2000 has been characterized as the third oil crisis by some notable energy experts. Distribution problems for fuel in the Northeast and the Midwest have sharply raised costs for fuel. The Northeast heating oil problem was alleviated by bringing heating oil and diesel from Europe and relaxing the sulfur standards for heating oil.

In St. Louis, reformulated gasoline was not available, and EPA waived the rules so that conventional gasoline could be used. It should be noted that relief did not come before prices spiraled out of control.

Chicago and Milwaukee are now experiencing prices for gasoline that many consider too high. Too many fuels, not enough refineries, not enough domestic production all contribute to these problems.

EPA must work through these issues and develop a fuel for the future, and a program to improve diesel emissions that is sure to succeed. Thank you.

MS. OGE: Ms. Stanfield.

MS. REBECCA STANFIELD: My name is Rebecca Stanfield, and I'm the director of the clean air programs for the United States Public Interest Research Group for the national lobby office. We are nonprofit, nonpartisan, and active in 28 states with about a half million members around the country.

Thank you for giving me an opportunity to comment today on a rule with important and far-reaching implications for our nation's air quality.

It is a daily reality for most Americans living in urban suburban areas to encounter thick, black clouds of noxious diesel pollution, and suffer the foul smell and taste, itchy eyes, sneezing, coughing, wheezing, and long-term health effects that are a direct result from breathing this exhaust. In my time working on air quality issues for the State PIRGs, I know that our canvassers who talk to millions of Americans each year at their doors hear this story all the time.

It is common sense that cutting the pollution from these trucks will result in enormous public health benefits, and will vastly improve the quality of life in our cities and suburbs. This common sense notion was recently supported by 87 percent of the people in a

poll commissioned by the American Lung Association.

Common sense in the case of diesel pollution is confirmed time and time again by the health studies showing that exposure to diesel pollution can lead to a range of symptoms from asthma attacks to premature death and lung cancer. Based on over 30 epidemiological studies, we know that exposure to diesel exhaust can increase the risk of lung cancer by as much as 89 percent. Earlier this spring, an association of state air regulators estimated that more than 125,000 cases of cancer in the US are the result of breathing diesel pollution.

Add to these 125,000 cases of cancer the following health impacts: Thousands of American lives cut short annually due to fine particulate pollution; thousands of hospitalizations and emergency room visits annually for asthma and other respiratory disease; and millions of days of restricted activity annually for vulnerable populations. It is to prevent these health impacts the US PIRG strongly supports the proposed standards to reduce heavy-duty bus and truck pollution.

There are three key pieces that form the cornerstone of the proposed standards, and these pieces need to be preserved at all costs if this program is to

be effective.

The first is the 15 parts per million cap on diesel fuel sulfur content, to be effective by 2006. The second is the 0.01 one grams per brake horsepower-hour particulate standard, effective in 2007. And the third is the 0.2 grams per brake horsepower-hour standard for NOx and hydrocarbons.

I'm going to use the remainder of my time to touch on four briefs points. The first point is that clean diesel fuel is essential. We've heard it over and over today. US PIRG supports EPA's proposal to cap diesel fuel sulfur levels at 15 parts per million, effective in 2006.

And we believe it would be an expensive exercise in futility to spend the next ten years phasing-in advanced engine and afterburner pollution controls for heavy-duty engines, only to allow these controls to be poisoned and rendered infective by the presence of sulfur in the fuel. Given the ability of refiners to remove sulfur from the diesel fuel, as evidenced by recent statements of support for the standards by two major oil companies, there is no reason to tolerate a scenario in which dirty diesel fuel damages or destroys these essential pollution controls.

Other observers have suggested alternative caps, and averaging systems. For example, the American Petroleum Institute suggests that a cap of 50 parts per million would be sufficient; however, the consequences of setting a cap higher than 15 ppm include: Increased incidence of particulate filter failure; deterioration of engine performance; and poisoning of the NOx catalysts.

For the public, this means more pollution, more asthma attacks, more hospitalizations, more premature mortality, and more cancer. We urge EPA to reject this alternative.

The second point is that EPA's proposed NOx standards should be applied to all new engines in 2007, EPA's proposal holds all new engines to a particulate standard of 0.01 grams per break horsepower-hour in 2007, and but allows a four-year phase-in of the NOx standard, delaying full implementation until 2010.

We believe that this unnecessarily delays the smog reduction benefits of the rules, prolonging the chronic smog problems faced by more than 117 million Americans who live in likely ozone non-attainment areas across the nation.

The urgency of our need to reduce emissions cannot be overstated. At the end of 1999, we compiled

smog monitoring data from every monitor in the nation, and found that the health standard for smog had been exceeded more than 7000 times. Moreover, according to a 1990 study by Abt Associates, smog was the cause of more than 6 million asthma attacks, 150,000 emergency room visits; and 50,000 hospital admissions in a single summer of 1997.

We believe that all new engines should be able to meet the 0.20 grams per bhp-hour by 2007. The Manufacturers of Emission Controls Association, an association of companies who are most directly involved in providing the technology to achieve these standards, agree that the technologies to meet the NOx standard will be available in 2007. Again, this hinges on the availability of clean fuel.

The third point is that we believe that a technology review is unnecessary and counterproductive. US PIRG urges the EPA to reject the suggestion by some to include a technology review for the 2003 time frame. We believe that this review would be unnecessary, given the high degree of confidence that clean fuels will enable rapid development of NOx emission control technologies.

Moreover, we see the proposed technology review as a disincentive to actually develop cleaner

engines. Giving the industry an opportunity to escape from new standards, contingent on their own lack of future progress in developing NOx control technologies is far too much like the fox guarding the hen house. It should be remembered that this industry has a history of illegal actions to escape from pollution standards.

In addition, one could view this technology review as little more than an opportunity to take advantage of the changing political landscape under a new administration, and one that make be less committed to protecting public health.

Finally, the last point that advanced heavy-duty technology should be encouraged. While diesel engines are known as the workhorse of our present transportation system, it's important to acknowledge that far cleaner technologies are being commercialized. The promotion of these technologies, including fuel cells, hybrids, and electric propulsion systems, can lead to critical additional public health and environmental benefits.

We strongly support the inclusion of the Blue Sky program to define a set of propulsion technologies, and/or a set of lower emission standards for vehicles to be designated for receipt of incentives under local, federal, or state incentive programs.

Thank you, again, for giving us this opportunity.

MS. OGE: Thank you.

UNIDENTIFIED: I want to talk mainly about West Harlem. We will be commenting on your rules once we've read them. We have not seen a copy as yet, we will be looking at it.

Statistics shows that both city and private industrial facilities are violating neighborhoods of color. North River Community Environmental Review Board, which I chair, will complete its 15th year advocating and trying to protect the health of Harlem. West Harlem in particular. And, of course, of other communities.

West Harlem is the seat of six of New York City's bus depots, the West Harlem Highway, and the Amtrak Rail. Diesel fuel from heavy-duty gasoline trucks primarily coming in from other boroughs, buses commuting, and commuters on the West Side Highway pass through Harlem's neighborhoods. New York City is planning to close (inaudible). Harlem is being plagued with an over-saturation of hazardous waste of (inaudible) carbon monoxide.

We need continuous testing of PM 2.5 throughout Harlem, and West Harlem in particular.

Through the (inaudible) the New York City DEP has installed the North River Water Pollution Control Plant Air Quality Control Monitoring System to monitor various types of contaminants in the area, which affect residents of West Harlem communities and the river banks. According to the New York City DEP, North River opened in March of 1986. We began to address the (inaudible) from the (inaudible), which actually became unbearable.

Now that we are finally getting some validated data from the Air Quality Control Monitoring System that was installed to monitor the contaminants of North River through the consent order, New York City DEP has applied to New York State DEC for consent to remove the North River Air Quality Monitoring System and discontinue air monitoring. This is unacceptable. The North River Air Quality Station system needs upgrading. And the North River Community Environmental Review Board has requested various upgrades and improvements (inaudible).

West Harlem is in dire need of a (inaudible) air quality environmental impact evaluation (inaudible). The North River Water Pollution Control Plant Air Quality Monitoring System should be looked at by the US EPA to make sure that it is made permanent

and that it will not be removed. The improvements to the Environmental Impact Air Quality Monitoring System has been requested by the North River Communities Environmental Review Board, and we can give you copies of those letters. If not, however, you should have them in your office, because you're on my mailing list.

Preferred plans by New York City Department of Sanitation to enlarge the 135th Street (inaudible) rail, water, and trucks moving garbage in and throughout lower Manhattan (inaudible). This is an injustice to the residents of West Harlem. If each borough is to have its own garbage, 91st Street and (inaudible) 135th Street, each handling the same amount of garbage, only the same amount of (inaudible) and the same amount of (inaudible).

More industry contaminated racism on Harlem and West Harlem is unacceptable (inaudible). In particular, because they make sure that these contaminated facilities are not located in their area and they are forced into our communities. That's an injustice.

A few years ago when the 91st Street and 59th Street Marine Transfer Stations were renovated, they moved uptown to 135th Street, we had (inaudible) going

in and out with three shifts. The 91st street is closed, all of them are closed now, with the exception they keep (inaudible). The plans that they have are unacceptable.

And if they opened only the 135th station, then we will have over and above 2000 trucks coming in per day. More diesel fuel, more PM 2.5, more asthma, more diesel, more cancer. And that means that while we are (inaudible), we will be dying at a much higher rate.

I want to thank US EPA for holding this hearing and allowing us to be heard, we appreciate that. And we will be commenting on your rules before your commenting period ends. We apologize for having not seen a copy of it, but I just heard from you on Thursday night and we have not had time to look at it.

So if there is any help, if you can come to West Harlem and see the problems that we have there, it would be most appreciated.

MS. OGE: Thank you. Mr. Stead.

MR. CRAIG STEAD: My name is Craig Stead, I'm from Putney, Vermont (phonetic), and I have served as an expert on composition toxicity, toxicity and human health effects of diesel exhaust. I have been studying diesel exhaust for seven years at this point. I have a

master's degree in chemical engineering, and I am a registered professional engineer. I have worked for the petroleum and the chemical industries. I am also an asthmatic, and I found diesel exhaust is a potent asthma trigger.

I'm going to raise a new concern that has not been discussed. And this new concern is new, highly toxic, diesel exhaust pollutant that requires no (inaudible). And it is briefly discussed in EPA documents, but it is far more serious than the discussion indicates.

The new highly toxic pollutant is ultra-fine particles that are generated by modern clean burning diesel engines. So the first question obviously is what are ultra-fine particles? These are particles that are incredibly small, less than 0.1 microns in size. This is to be compared with the standard PM 10, or the new standard of PM 2.5, which is 2.5 microns, these are 0.1 microns.

As a result of the small size, these particles are (inaudible). And they cannot be seen in a diesel exhaust pipe, so that exhaust looks perfectly clean. It is not. It is deadly. These particulates have no weight. A million of them weigh nothing. As a result of this, mass-based or weight-based standards

(inaudible) are meaningless in addressing ultra-fine particulates. Thus, statements that we have a 90 percent reduction in (inaudible) meaningless in regards to ultra-fine particulates.

These particulates, because of their fineness, stay aloft for a week, it is estimated, and can travel thousands of miles. So the air pollution of New York City is the air pollution of Vermont when it gets pushed up to Connecticut Valley. And I can't (inaudible). They found that ultra-fine particles cause severe inflammation (inaudible) in animals. They are associated with asthma. Because of the fine size of these particles, when you breathe them, you retain almost 100 percent of them. They have found that these particles enter the respiratory tract and can trigger serious lung health damage.

So having heard the story of ultra-fine particles, you somehow must now address the ultra-fine particle. In fact, it is important, because with the change in diesel engine technology through what they call "clean burning diesels," in fact, they are producing primarily ultra-fine particles, which are invisible. And they have found -- these are researchers in Europe as well as the University of Minnesota -- that the modern engines produce more

particulates (inaudible). The modern ones, you don't see the toxicity coming out of that exhaust pipe. They are estimated at 10 to 100 million ultra-fine particles per cubic centimeter of diesel exhaust. And for those of you who can't visualize, that's about the size of a marble.

The only method that has been found to control ultra-fine particles in diesel engine exhaust from a modern, clean burning engine is a particulate trap with an oxidation catalyst to remove what is called "soluble organics fraction."

I would refer the EPA to their own document, which is an impressive and massive document -- and I did not read it all, either -- but I read where they discuss particulates and they make the following statement. This is on page 161, and it's a statement by Kettleson (phonetic), who's probably one of the cutting-edge investigators on ultra-fine particulates.

Kettleson confirmed that ultra-fine particles can be reduced by a factor of 10. By (inaudible) volatile organics (inaudible reading from document) -- and I would emphasize this -- additional factor of 10 by reducing sulphur in the fuel, (inaudible) particulate traps efficiently, (inaudible) nearly all of the volatile organic particulate.

This is important, because what happens is in the diesel exhaust (inaudible) these ultra-fine particles.

This is why you need this after-treatment technology. And he said elimination of as much sulfur as possible will dramatically reduce the number of ultra-fine particulates emitted from diesel engines. And I emphasize that.

Therefore, the combination of particulate traps with low-sulfur fuel is expected to result in a very large reduction in particulate matter. And I emphasize this again: Ultra-fine particulates will be almost completely eliminated.

Thus, I pose the question to this audience and EPA: Do we really have any choice on this issue of sulphur in fuel and 15 parts per million cap? I don't believe so.

The proposal with the 15 parts per million cap on sulfur must be implemented as soon as possible for the protection of asthmatics, and all of us. Thank you.

MS. OGE: Thank you. I have couple of the statements. (Request for Mr. Cavaney and Mr. Charbonneau to provide more information.)

I would like to thank all of the panel

members for taking the time to testify. And given the fact we have so many people, I would suggest that we work through our lunch break to see if we can pick up some time. So I would call for Candida Bido, Maria McMorran, Carlos Padilla, Adele Bender.

We'll start with Candida Bido.

MS. CANDIDA BIDO: My name is Candida Bido, and I'm the (inaudible) for West Harlem Environmental Action, (inaudible) environmental justice in our community, and I'm here really to speak on a personal level.

I'm an asthmatic and I have discovered personally the effect for all of the diesel fumes that have traveled to my community. And let me say to you that it might be very expensive for them to convert, but it was extremely expensive for my family and me to go up to the hospital to go to the emergency room every day as I was growing up, and after that going to school to learn.

The costs in my family has been extremely high, too, and it is not comparable to the amount of money that they have earned through all of the years that they have been operating in our community.

The things is that many, a lot of those people that they take their goods to, that they are

supplying the oils to -- eventually we're going to die. And if that is the case, (inaudible). And that's the reality that they need to deal with. It is not cost effective to not do it. It is not expensive to them to actually change the way of doing business.

It is more expensive to our community to be -- really to be put through this process where we get up, we cannot breathe at night, we end up at night in the hospital, in the emergency room. Then we go to school all drugged up because of the medicine that they give us in the hospital and that causes a later problem.

So I urge you to be strong and really make the changes that are needed so that those people behind me -- the kids in my community, my son, my nieces, my nephew, my neighbor -- they can they have a healthy life and be part of a productive community.

We are really being assaulted (inaudible). This is not an environmental justice issue -- I have a right to a clean neighborhood, and I want you to protect my right as well as those of my community. Okay, thank you so much.

MS. OGE: Thank you. Ms. Maria McMorran.

MS. MARIA McMORRAN: Good afternoon. Hi, my name is Maria McMorran, and I'm here as a concerned

citizen. I would just like to echo many of the people who have gone before me and spoken in support of the EPA's proposal.

Clean air is fundamentally important to quality of life for all New Yorkers, as this woman who has just spoken has personally shown. Especially so for asthmatics and people who already suffer from respiratory diseases.

So, we've heard many people, many exerts, talk so far about the fact that the technology is something that is feasible. The health and environmental benefits are known, and I think that we don't really have any choice but to go forward with these rules. It's important to all of us in terms of our quality of life. Thank you.

MS. OGE: Thank you. Okay, could you state your name?

MR. DANIEL PEREZ: My name is Dan Perez, and I am here representing the Community Board in Harlem. And I'm going to share my time with Yvonne Robinson. I'm here representing (inaudible).

I am pleased to be here today with the opportunity to not only to call attention to the environmental condition that is our community, but also to be a support to the EPA to diesel regulation. If

implemented, this regulation finally promised to (inaudible) the life of millions of New Yorkers who are both of (inaudible) by drastically reducing the emissions of particulate.

Environmental have gone on for too long may be stop may be able to (inaudible). Harlem today is a community with thousands of residents suffering with the effects of asthma and costs, and by the very diesel pollution and (inaudible) like these buses and trucks that are based in Harlem. This pollution is poisoning the very air that we breathe. This degrades the quality of our life. (Inaudible). I would like to not have family, friends, neighbors to suffer from that. Or to have asthma attacks (inaudible). To live in Harlem means to know the constant (inaudible) of the elderly, and the (inaudible). What is in particular painful for me is that all the community in North Manhattan (inaudible), which they have remedies (inaudible).

All of the people involved in this issue are fully aware of the alternates of diesel fuel vehicles, which would have permanent impact on air quality. We know New York (inaudible) high level. We all know that the EPA has rated New York City second only to the Los Angeles (inaudible) pollution. Half of which is

created from diesel. We all know that diesel (inaudible) a certain form of cancer.

Finally the issue of (inaudible) the lack of consent and leadership. Using the (inaudible) facility, which is a massive amount of diesel pollution. Two and three quarters of most people are located in upper Manhattan, the areas known as Harlem and Washington Heights, are communities of color. In Manhattan, six of the MTA large bus depots are located in these two communities.

Race appeared to be a large factor, not only in (inaudible) but also funding. The future looked no better. The MTA proposed 80 percent on (inaudible) maintained a diesel depot and in communities of color (inaudible). The only significant change is that the downtown bus depot and extension (inaudible).

Technologies have made the tolerance of diesel buses a matter of choice, not of necessity. (inaudible) those will not care less about deadly and (inaudible) each and every day. I would like to invite you and your members to visit Harlem so you could smell how sick.

MS. MARTIN: I ask you, for clarification of the record, you stated that you were West Harlem Environmental Action?

MR. PEREZ: I'm with the Community Board, but I work very close to the West Harlem.

MS. MARTIN: Now we'll hear from Mr. Carlos Padilla.

MR. CARLOS PADILLA: My name is Carlos Padilla. I'm a President of South Bronx Clean Air Coalition, who for the past 12 years has shutdown two medical waste facilities -- one being an incinerator and one plan to retrofit -- when they were destroying the health of communities by emitting particulates and (inaudible), which they were denying, themselves, that was coming out of their plant. The EPA organizations were able to have them reevaluate the systems and found the errors of their ways.

I would like to thank the EPA for this opportunity and I would also like to invite the EPA to a tour up in the South Bronx. The South Bronx, basically known as "Dodge City," is an area where you have seven bridges that service Manhattan. These seven bridges are most of the time congested with vehicles that would not ordinarily pass any kind of emission standard if it were to be tested.

I understand that you're trying to change the sulfates to create a cleaner diesel, but we're looking at seven years and looking at a hard fight, from the

examples that we've seen here. They seem to be (inaudible). It's going to be a very tough fight and things have happened in the past, sometimes a middle grounds there have been negotiated.

I have a feeling the EPA should not negotiate, should stay firm and strong. One of the issues they have also is that I haven't seen anyone address the petroleum industry the way (inaudible) addressed for the negligence in selling cigarettes. I do believe that the petroleum industry will surface erroneous statements and documents. Doctored up documents.

I also understand that the EPA gave a fine to the General Motors, I believe it was about three or four years ago, for $25 million for (inaudible) rating the emission test on the engines.

We're getting more to a situation -- I have a community where there are highways and seven bridges. This community is suffering one of the highest death rates of asthma and we need from the EPA to come up and take a look at why there is no enforcement. If you go down to midtown Manhattan, in certain areas you blow your horn and the police pull you over and you get ticketed. Trucks are running with black streamers coming from their pipes in front of daycare centers,

garbage trucks are parked in front of senior citizen homes and hospitals.

You have to come take a look at a complete disregard. They claim there's laws on the books that will not allow this -- this is being allowed. There is no enforcement. If you were to stop the police officers in that community, in the South Bronx, and question them on truck traffic, they will not be able to give you a first regulation of how to stop or how to ticket. These are some of the problems.

I know there is a lot of work ahead of all of us to try to prove to go towards clean diesel. There is a wonderful seminar at Bronx Community College to give (inaudible) to identify a lot of areas to be explored. We have a one-size-fits-all mentality, where if we don't clean up diesel, nothing is going to happen.

I believe the majority of trucks in our communities are local. For instance, in the service of the hotel, school buses -- anything associated with diesel, these vehicles (inaudible) I speak up. The Hunts Point Market, the New York Post, the buses, these vehicles are burning their engines approximately 8 to 12 hours a day in the same communities. The majority of trucks in our communities are ten years old and

better.

The average of these trucks leave in the morning, they have diesel burning engines, and they also have (inaudible) are running approximately 10 to 12 hours a day non-stop. School buses, city buses, all these local transportation methods are running 8 to 12 hours per day.

The trucks in our community, I don't care what the truck, you give me a truck, give me the registration, I go up to a gas station, I bring back an inspection sticker. This is what goes on. And there is nobody (inaudible). This is why our communities are oversaturated with respiratory problems and are completely taken advantage of, because there is no enforcement.

There are rules on the books. We are talking about improving the emissions by reducing the sulfates, and I agree with you. But in the interim I think there has to be some sort of dignity.

What is the quality of the (inaudible). None of this is taken seriously. Trucks running all over the senior citizens. I understand that we have to take a look at (inaudible). We're all working towards (inaudible). Well, right now some of the impacts are created just because burning -- diesel is being allowed

to burn, is another one of the problems.

In the Bronx, you have the rail yard which was downsized. At a time when we need all the rail, some developer who (inaudible) all the rail, okay, ripped up the rail, enough rail for his friends in the waste industry to be able to utilize. A lot of goods and services are being forced to be trucked in because the rail has been taken from you. I remember I was in the trucking business. In New Jersey, half a mile before you get to the piers you can smell the diesel out there, that's how bad it was. (inaudible). I think we're going to have to take a look at various different technologies.

I want to thank you all for allowing me to testify, and I really think it's important to come and take a look and see the complete disrespect. The regulatory agencies are not there stop some of these trucks and look at their inspection (inaudible). How did they manage to get an inspection sticker with a vehicle in that type of condition?

We suffer, our children are suffering. Talk to the community. Take a look. Please come up, I will be happy to give you a tour of the situation and then turnaround and say where is the enforcement? What's the sense of having a law if nobody's going to be there

to enforce it? Thank you very much.

MS. MARTIN: Thank you. Adele Bender.

MS. ADELE BENDER: My name is Adele Bender, and I'm a member of the Queens Senior Citizens Organization.

When I hear all of the people talking, I think "the best things in life are free," and it seems the air you breathe is no longer free, you pay for it with your life and with your health. And it's disgusting and it's a disgrace when I hear the fuel industry talking about the economy and the money, and that they won't do as well with profit, or whatever.

I got to tell you something fuel industry:

I'm worth it, you're worth it, we're all worth it. I don't care if the economy is not so great, I want to be healthy. And if they're so worried about cost effectiveness, maybe the health insurance people should be down here testifying to that. Because with the bad air and all of the toxic things that are going on, the hospitals will save money, insurance companies will save money. Perhaps, if money is always a bottom line, maybe that will convince them we can breathe.

I live in Forest Hills, Queens, and I was talking to some of the women. They happened to tell me about a building that they know of, have some friends

living there on Queens Boulevard and, of course, they keep their windows open. There are eight people they know on one floor that they have cancer, and they feel it's possible because they live above very heavy traffic and maybe breathing in all that stuff over the years. And, for sure (inaudible), but it is very possible.

Other thing I would like to bring on also, this tells me that the government -- I don't know if you're going to have to work with industry -- but what you, EPA, is proposing to do, they're going to really have to move themselves and really do a lot of very heavy and important work on alternative fuel sources, you know, whatever, and in five or six years from now. People don't have five or six years, so you, they want to pass laws and profit motives or for industries -- it's amazing they are planning to do these things and they really have to go through very, very quickly.

It's going to cost money, and that means it's jobs, it's people maybe could earn living doing some good and improving the quality of our life. This is a very, very important thing.

The other thing I wanted you to know, I wanted to say is that, again, these things have to be done pretty much, I guess, like everything. But I

wanted to say one other thing I didn't want to say and, but when I see these trucks with black smoke coming out of those pipes, I say why don't they (inaudible) everything else, any clean air law that is passed for the cars, as far as I'm concerned, when that black smoke comes out.

And there's more and more trucks. I have nothing against the guy learning earning a living, but if you don't have the laws for the big trucks that go through, it's going to berate everything you did. And you do have to depend more on your rail system. Thank you.

MS. MARTIN: Now, if we could hear from Ms. Yvonne Robinson.

MS. YVONNE ROBINSON: Good afternoon. My statement is both personal and professional. My name is Yvonne Robinson and I live in the South Bronx which, as you know, has a very high rate of asthma.

I have a 22-month old son. When I take him outside my building to the playground, you can see (inaudible). To make it worse, there is a warehouse supermarket across the street, so, therefore, there are constant deliveries being made by 18-wheelers with diesel fuel. And then on a block over there is a sanitation plant. This greatly concerns me, as I do

not want my son to develop asthma or any other respiratory illness, I want my son to grow up with healthy lungs.

On a professional side, I'm a community liaison with the outreach component of Harlem hospitals. As an (inaudible) initiative within our program, we have a group called "Asthmatics." The majority of our members did not develop asthma until they were well into their fifties, so clearly the effects of air pollution can affect you sooner or later.

The passage of this proposal is of concern to me, please treat it as such. Thank you.

MS. MARTIN: Thank you very much. Now the last person, I believe, on this panel is Ms. Sally Lindsay.

MS. SALLY LINDSAY: I'm Sally Lindsay, I'm an artist living and working in Soho. My loft is 12 stories above (inaudible) Street at Broadway, which is right down the street from the Holland Tunnel.

When I went there in 1971 it was like being in the country, it was wonderful. Now when you open the windows and doors, your eyes sting and the air is foul most of the time. So this is just a little anecdote about environmental pollution.

MS. MARTIN: Thank you to all the members on the current panel. And we will take a short recess for the court reporter.

(Recess.)

MS. MARTIN: We will please begin this panel with the testimony of City Councilmember Stanley Michaels.

MR. STANLEY MICHAELS: Thank you very much.

I am Councilmember Stanley Michaels, and chair of the Environmental Protection Agency of the New York City Council. And I'm also a member of the local government advisory committee of the EPA.

I'm very pleased to be here. Let me say this at the outset: I fully support EPA's proposed standards requiring advanced pollution control devices, both diesel and heavy-duty gasoline truck devices.

These rules are long overdue, and have been enthusiastically received by everyone concerned about the continuing serious pollution problems in the New York City area and the deleterious effect on public health.

I urge you -- repeat -- I urge you to implement these rules nationwide at the earliest possible date. At least by the year 2006, as you have proposed.

Diesel fuel and vehicles have been the only major source of pollution not to be covered by updated federal regulations in recent years. These new rules recognize the fact that the trucks and buses, together, represent a disproportionately large source of nitrogen oxides. Especially as emissions from private cars, power plants, and factories have been reduced.

The EPA is to be congratulated and commended for tackling this issue head on. And for seeking not just a modest improvement, but a 90 percent cut of emissions by the end of this decade.

As far as I'm concerned, this standard is as important to the future of New York City, and the rest of the country, as President Kennedy called the landing of man on the moon in the early 1960s.

New York City is overly dependent on buses and truck drivers and mass transit for commercial goods deliveries. And to that I might add that over 95 percent of all goods that come to New York, comes by truck. So we're captive of the truck industry.

We are literally choking on the fumes from diesel-powered engines. New York State estimates that by the year 2007 heavy-duty trucks and buses will be the source of one-third of all nitrogen oxide emissions from vehicles, even though the trucks and buses account

for only 7 percent of the total miles traveled. The problem is undoubtedly worse in New York City.

This is why we, and the rest of the country, needs these EPA rules as quickly as possible. We urge you not to back down. You are on the right road, the road to cleaner air. So it's extremely important to all of us, especially to New York City and State. It does us no good on a regional basis, it has to be on a nationwide basis. I appreciate it, and I wish you Godspeed in working. Thank you.

MS. MARTIN: Thank you very much. Mr. Peter Lehner.

MR. PETER LEHNER: I'm the Chief of the Environmental Protection Bureau in the New York State Attorney General's Office. On behalf of Attorney General Eliot Spitzer, I'm here to speak strongly also in favor of the proposed emission standards for heavy-duty engines and vehicles, and the proposed highway diesel fuel sulfur control requirements.

The substantial reductions in nitrogen oxides, nonmethane hydrocarbons, particulate matter, sulfur dioxide, carbon monoxide, and air toxics that would be achieved by the implementation of the proposed emissions standards is very badly needed. Despite New York State's leadership in fighting air pollution, our

state continues to suffer the consequences of smog, particulate matter, acid rain, and nitrogen deposition.

The New York City metropolitan area has some of the highest levels of ozone and particulate matter in the United States, as well as extremely high levels of asthma and other respiratory illnesses. Upstate, because of acid rain causing sulfur dioxide pollution, many Adirondack lakes are devoid of life and forests are deteriorating.

And as EPA's impact analysis for the proposed standard shows, the eutrophication of Long Island Sound is exacerbated by nitrogen deposition, disrupting the marine habitat and resulting in large shellfish kills.

Diesel exhaust is one of the most damaging sources contributing to New York's air pollution problems, particularly in the metropolitan area. Diesel-powered vehicles produce a significant proportion of New York City's loads of particulates and smog forming nitrogen oxides.

The New York State DEC estimates that almost 53 percent of airborne particulate matter in New York City comes from diesel tailpipes. And that number is even larger with respect to PM 2.5, which comprise over 90 percent of particulate matter in heavy-duty diesel

engines exhaust.

As EPA has recognized in lowering the national ambient air quality for ozone and adopting a PM 2.5 NAAQS, these pollutants cause or contribute to a variety of respiratory illnesses. And, too often, these adverse effect are disproportionately felt by low-income and minority communities.

While I go into greater detail with the written testimony on some of the impacts of this, I would like to emphasize that EPA's action is an important complement to what the states are doing at the local level.

In our office of the Attorney General's office, we are doing all we can to enforce and protect the clean air laws that we have in place.

In a major environmental initiative, we sued a number of coal-fired power plants in the Midwest that have upgraded or expanded their old facilities without making the necessary emission control upgrades required by the Clean Air Act. We are also pursuing legal action against a number of similar plants in New York State. We are pleased that the federal government, seven other Northeast states, and numerous environmental and community organizations have joined our efforts.

We have also supported EPA in a number of other rulemaking efforts. In Michigan versus EPA, for example, we intervened to support their action requiring extensive reductions in NOx emissions from Midwestern states. And in another case, Appalachian Power versus EPA, we intervened to support EPA's grant of New York's petition under Section 126 of the Clean Air Act. And, finally, as we all are involved in the American trucking case, we have submitted and will submit additional amicus briefs on EPA's tightened ozone and PM 2.5 standards. So we're used to supporting EPA, and we're glad to be doing so again.

More locally, last spring we sued the New York City Department of Sanitation for failure to produce an environmental impact statement, or addressing a plan to send hundreds of highly polluting diesel garbage trucks per day through the Holland and Lincoln tunnels and over the George Washington Bridge, to deliver garbage from Manhattan to New Jersey.

New York City DOS, however, did not address PM 2.5, despite the clear and overwhelming evidence of adverse public health impacts from these particulate matter, nor did they use correct modeling approaches. We cited to an EPA letter that similarly noted that under the National Environmental Policy Act, the 2.5

analysis would be required.

In developing that lawsuit, we found that many effective after-treatment devices exist that can be put on new vehicles, or that can easily be retrofitted on to existing trucks. We also discovered the importance of low-sulfur fuel for the proper functioning of these devices, and the impact that low-sulfur fuel alone can have on particulates and other emissions.

And finally, with EPA, our office participated in the settlements with the heavy-duty diesel emission manufacturers, who deliberately deceived the EPA on their emissions tests, resulting in an extra 1.3 million tons of nitrogen oxides emissions each year.

In addition to these actions, we have underway several investigations that you may hear about before too long. So in summary, at the Attorney General's office, we are doing everything in our power to clean the air in New York State. But we cannot bring air quality to a safe level without more stringent emissions standards for heavy-duty diesel vehicles. We are, therefore, very supportive of the EPA's proposed plan to reduce these dangerous diesel emissions.

EPA's proposed plan addresses the heavy-duty diesel vehicles and its fuel as a single system. This is essential for the success of the proposal, as the standards are based on the use of high-efficiency catalytic after-treatment devices. Because the devices are damaged by sulfur, EPA is right to propose new fuel quality requirements to remove 97 percent of the sulfur from highway diesel fuel before the vehicles are required to meet the new standards.

Independent of its effect on after-treatment devices on new engines and vehicles, reducing the sulfur content of diesel fuels will also significantly reduce the particulate emissions from the existing fleet of diesel trucks and buses. And as I noted earlier, it allows the installation of retrofit devices. Reducing the sulfur content to the level proposed by EPA alone will reduce PM emissions by approximately 20 percent.

We are examining whether the sulfur reductions can be accomplished more quickly, allowing for immediate emissions reductions and general use of treatment devices well before 2006, the proposed date of implementation. Our written comments will address that issue.

This sulfur reduction only applies to fuel

that will be used by highway vehicles. We recommend the sulfur reductions be extended for use in off-road vehicles and diesel-powered construction and farm equipment as well.

Cleaning up diesel fuel by 97 percent, in tandem with its proposed emission standards, will allow the EPA to cut NOx emissions from heavy-duty diesel-powered vehicles by 95 percent, and soot by 90 percent.

While EPA proposes to fully implement the particulate matter emissions standards in 2007, it proposes to phase-in the NOx standard over four years. Our office is studying the feasibility of shortening the phase-in schedule, and plans to submit further comments to the EPA on this issue.

Having learned from the emissions testing experience with diesel engine manufacturers, the EPA should also continue to take measures to ensure that the heavy-duty vehicles are meeting the emissions standards on the roads, not just during engine tests. And the new rule should address that issue.

Lastly, we would like to commend EPA for proposing a cost-effective program that will result in tremendous gains for the environment and the public health.

Thank you for providing the opportunity for our office to testify. We'll look forward to continuing to work with the EPA toward cleaner air and improved public health. Thank you.

MS. MARTIN: Thank you very much. Christine Vujovich.

MS. CHRISTINE VUJOVICH: Good afternoon, Ms. Martin. My name is Christine Vujovich. I am the Vice President for Environmental Policy and Product Strategy for Cummins Engine Company.

Cummins manufactures heavy-duty diesel and natural gas engines for a variety of applications, including marine, agriculture, construction, stationary power and heavy-duty on-road vehicles, the subject of the proposal before us today.

Before providing you with the Cummins specific comments, I wanted to express Cummins' support of the comments made by the engine manufacturers earlier today, and those of the diesel technology forum later this afternoon.

Cummins has long appreciated the opportunity to participate in the public hearing process for rulemaking. Doing so challenges us to fully understand what it takes to satisfy the needs of society. And based on this understanding, offer constructive

suggestions for enhancement or alternatives to EPA's proposals.

As a company, we are absolutely committed to pursuing technologies that benefit the environment. We are equally committed to providing products that offer superior performance and meet our customer's expectations.

EPA's proposal is significant in many ways today. It, for the first time, recognizes the importance of low-sulfur fuel in implementing technologies to reduce nitrogen oxides and particulate matter from diesel engines. It also represents the biggest percentage reduction of NOx and PM of any previous rule.

We support these efforts to improve emissions, but we do have our concerns when it comes to how the proposed reductions will be accomplished. The complex array of after-treatment technologies and controls that are necessary to reduce PM and NOx together, as of today, do not exist outside of the lab.

Beyond this, there are various uncertainties embedded in this proposal that complicate our ability to thoroughly asses the impact of these rules. Among them are the test requirements for which we have no

final knowledge; measurement capability for which instruments do not currently exist; and many others.

I have chosen to focus today only on the current state of technology purported to be needed to achieve these standards.

We have monumental challenges to overcome before we can contemplate whether what the EPA is proposing is practicable. Therefore, I am here today to urge EPA to slow down the review process. Instead of rushing to finalize these rules by the end of the year, Cummins asks the EPA to take a more measured approach that will allow for the careful assessment of the technology necessary to meet these goals.

Diesel engines are significantly cleaner than they were even just ten years ago, and progress will continue. By 2002, NOx emissions from our heavy-duty products will have been reduced by 87 percent, and PM emissions by 90 percent from their unregulated levels.

This has been done in steps, with each step preceded by a notice of proposed rulemaking, such as this one. There is a significant difference, however, between this rulemaking and those that have come before. The majority of the reductions achieved to date have been through in-cylinder and engine sub-system control technologies. Technologies which,

as engine manufacturers, we specify and install as part of the assembly of the engines.

This reduction will be the first time that as manufacturers of record for certification, the emissions capability and the useful life of our entire automotive products depend on the suppliers outside our sphere of development and production. That is to say, we must rely on technologies that we neither make nor install.

I am certain, however, that the after-treatment suppliers are actively researching and inventing the systems necessary to trap sulfur, filter particulates, chemically reduce oxides of nitrogen, and oxidize whatever hydrocarbons might slip through the systems. But this work is being done in carefully controlled lab situations right now -- where it should be -- but one pollutant control system is optimized at a time.

The truth is that none of these complex systems where NOx and PM are controlled together to these very low levels is developed to even a point of adequate laboratory demonstration, let alone field tests.

Furthermore, active regenerative controls which permit the continued use of the catalysts have

not been developed, so anyone's statement today that these systems are practicable is really unfounded.

Many of you on the EPA panel know that I have been participating in the development of environmental regulations and controls for over 20 years. In those 20 years, this is the first time that my company is unable to ascertain whether the standards will be achievable at this time in the rulemaking process.

It is not that we aren't trying to do that. We fully support the air quality improvements that this effort represents. Nor is it that we are unfamiliar with the technology options. In fact, it is simply because at this time we just don't know the capabilities of all these technologies that are necessary.

We expect that a new regulation will be in place in 2007. There's no reason not to take the time now to make certain that we get it right for 2007.

We have the time to approach this rulemaking in a systematic way, so that those who must certify the technology have the opportunity to establish its practicability before they commit to achieving any specific emissions level.

We also have the time to approach this rulemaking in a systematic way, so that those who must

develop the technology can assure its effectiveness before they commit to its reliability. That's only fair and it's only responsible.

Now one might ask, "What's the difference? Why not finalize the standard at the end of the year? Then Cummins and all the rest will have nearly six years of lead time to develop the technology to achieve the emission standards. After all isn't lead time what the manufacturers want?"

The point is, there is a difference. On the one hand, having final rules set by the end of this year would provide many years to sort out the technology to achieve very low emissions standards. And on the other hand, we would have agreed to a final rule without any certainty that the technology we suspect will be necessary is even a viable option.

The last time EPA permitted us a long lead time -- and I believe it was six years -- was when EPA and the manufacturers negotiated the year 2004 regulations. In that case, we knew what the standards would be; but, most importantly, we had real experience with workable technology that was required to achieve those 2004 levels. The exhaust gas re-circulation technology already existed, and the wonderful lead time enabled us to effectively apply EGR to the heavy-duty

engines with some confidence that we would meet these standards on the Federal Test Procedure by 2004.

In today's case, we to have rely on technologies for which we have no proof of reliability, durability, useful life, practicability, or cost. Thus committing to any standard with even six years of lead time, but having no out-of-lab experience with the technology, is unreasonable and irresponsible.

Our customers, and the public, deserve to know with confidence that manufacturers will deliver on their commitments. The only way we can get improved air quality is if there is a demand for the technology that brings about the improvement. If the technology is disruptive to the operation, or is cost prohibitive, then no one buys and no one benefits.

It is imperative that manufacturers be permitted the time to carefully assess the technology in order to confidently provide the emissions control we will need to deliver. Cummins, for one, will be much better able to commit to the public its abilities and levels of control, if it is given the time to fully asses the technology and Cummins' ability to apply that technology. This company is committed to providing the air quality needs of our customers and society at large.

But once again, we strongly recommend that EPA keep open this rulemaking beyond the end of the year to allow us and others, yourselves included, to more carefully and responsibly asses the technologies necessary to meet our collective goals.

Thank you for your attention, and at the appropriate time I will be happy to answer any of your questions.

MS. OGE: Thank you. Ms. Williams, good afternoon.

MS. STEPHANIE WILLIAMS: Thank you. My name is Stephanie Williams, I'm the director of Environmental Affairs for the California Trucking Association. Our members represent 2,500 truck companies and suppliers that operate into and out of California. The majority of our membership is interstate registered.

I'm here today to support EPA and their efforts at passing a 15 parts per million diesel fuel standard cap, along with the 0.01 grams per break horsepower-hour particulate standard, and the 0.2 NOx standard.

The California Trucking Association is taking our mission for clean air on the road for five reasons, and the first one is air quality.

Unlike some of the other states who are coming into the same kinds of considerations, California has been under them for many years. Air quality is a zero sum game.

State implementation plans require states to sit down, come up with an inventory, figure out their emissions. Ozone and (inaudible) are on the horizon. In California, Sacramento and the South Coast will not meet the attainment dates, unless serious concerns are taken on diesel fuel.

As a regulated industry, if we don't have a national fuel standard, we're going to end up with regulations on trucks that interfere with operation, time of day, and other problems that put our truckers, and truckers coming into our state, in a very bad competitive disadvantage.

It is important to have a national fuel standard. The trucking industry is the end user. We don't make fuel, we don't make trucks. We bring goods to market. And we need to do that in a safe, environmentally considerate engine. And that's what we are asking for today.

The ozone standards and PM standards are what drive this hearing, and should drive this hearing. There should be no other consideration. Federal law

requires us to meet standards based on the air quality in our communities. The public wants diesel cleaned up. To take the pressure off the trucking industry, a national fuel standard is the only suitable remedy.

You can't ignore the inventory, you cannot blame the railroads or off-road. Emission standards start with the smallest engine first. What would have happened if the car people pointed to the trucks and said why aren't you going after them?

You start with the technology that's feasible, and you move forward to avoid diesel bans in communities, which will be what happens next. You'll have communities like the gentleman who's sitting next to me, that are targeting the very trucks that we want to use because the emission standards aren't tight enough. As a trucking representative, we can't change the emission standards on our trucks. We can't make different fuel.

The next four reasons that we support this proposal are economic. Regional diesel fuels are a disaster for the trucking industry. Regional diesel fuels are a windfall for the oil companies.

In California in 1993, we introduced California Air Resources Board diesel. Car diesel number two comes in at about 120 parts per million

sulfur. Much cleaner than the fuel used in the other 49 states. 350 is the average federal fuel sulfur standard from all our testing outside the State of California.

What happened with this proposal is a fuel island was created. Diesel fuel prices shot up, not because there wasn't enough diesel fuel, because the number of people producing diesel fuel had a greater hold on the market. The profits of oil companies were investigated by the Attorney General, and still are to this day.

What I'm saying on a regional fuel standard is the only beneficiary are the oil companies. The nation needs a national clean fuel standard. The reason for this is price and supply.

If all states are competing in the market, they can bring clean diesel fuel to the states, to communities, for a cheaper price than if we allow the oil companies to regionalize fuel and Texas has a fuel, California has a fuel, the Northeast has a fuel, everyone could have a dirty fuel, we would pay more for fuel in this nation because of the regionalization than we would if we had the cleanest fuel possible that EPA is asking for today. Regional diesel fuels are a bad economic decision for this country.

Fuel prices and supply is the second economic reason that we support this proposal. As has been said many times, I'm not going to go over it again today.

15 ppm maximizes emission controls with fuel, eliminates enough sulphur so the by-products of hydrochloric sulfates don't come out, H2SO, spoiling the traps. That is a maintenance problem for the trucking industry, and there is a fuel penalty. When you go above 15 ppm fuel, the trucker, the end-user, pays the economic cost in reduced fuel economy. That's not fair.

The next is maintenance. The maintenance costs associated with this rule are based on the fuel standard. Anything above 15 ppm disadvantages the end-user. The spoiled emission controls for the particulate trap and the NOx adsorber, which are the preferred technology by the end-user -- the continuously regenerated PM trap and the NOx adsorber -- are spoiled by anything above 15 ppm.

It would be unfair to the trucking industry to force manufacturers to provide a product that would be inferior in maintenance.

And finally, diesel fuel is right now the backbone of this country. To preserve the use of this technology, EPA needs to act today. There are areas in

the state that are banning diesel, because it's not meeting the emission requirements.

On Friday, the South Coast Air Quality Management District banned the use of diesel fuel in the four counties in the area: Riverside, Orange, LA, and San Bernadino. No more diesel tractors, trucks, or buses can be purchased there. That is the biggest reason that EPA needs to reformulate diesel fuels to 15 ppm and adopt these standards. Thank you very much.

MS. OGE: Thank you. Ms. Cooper.

MS. JOSEPHINE COOPER: Good afternoon. My name is Jo Cooper, and I'm the President and Chief Executive Officer of the Alliance of Automobile Manufacturers.

Our 13 member company represents more than 90 percent of US vehicle sales. It seems like deja vu, it's only been a year, but it seems like yesterday we were here talking about the Tier 2 emission standards for sulfur in gasoline. So as we start this, I think we can all look back and now look forward.

The Alliance's main interest in this rulemaking today is to preserve diesel engines as an option for the light-duty market. EPA stated in its proposal that diesel fuels, diesel vehicles, have

inherent advantages over the gasoline vehicles with respect to fuel economy, lower greenhouse gas emissions and lower evaporative hydrocarbon emissions.

Our members are working hard to advance state of the art diesel technology so that it will meet the Tier 2 emission standards adopted last year. The most critical factor in this endeavor is quality of the fuel, especially sulfur. The emerging new emission control technologies for diesel engines simply are not viable without sulphur-free fuel.

So we applaud EPA for taking this crucial first step toward enabling highly efficient, advanced technology diesel vehicles in this country. It opens the door to continued investment in clean diesel technologies, which are advancing rapidly. We say this proposal is a first step, because it stops short of enabling the new clean diesel technology to operate at optimum levels.

Many stakeholders support reducing sulfur to ultra-low levels. Earlier today we heard the testimony of the Engine Manufacturers Association. Like us, it is depending on ultra low-sulfur diesel fuel to enable the new clean diesel technology. The Manufacturers of Emissions Controls Association, state and local air pollution control officials, environmentalists all

support ultra-low sulfur diesel fuel to enable these new technologies.

We believe the EPA has done several things right with this proposal. First, the agency has reinforced the notion that the vehicle and its fuel are an integrated system, and should be treated as such for both the existing and future on-highway diesel fleets.

Second, EPA has proposed a dramatic reduction in diesel fuel sulfur level for the purpose of enabling new after-treatment technology. Numerous research programs are demonstrating just how clean diesel can be. Recent tests show that ultra low-sulfur diesel fuel allows diesel buses with advanced controls to run as clean or cleaner than buses running on compressed natural gas. I think you probably agree with us that this is remarkable.

In this sense, the proposal goes beyond the Tier 2 rulemaking, which only allowed existing technology to meet the standards. With Tier 2 sulfur levels up to 80 parts per million in gasoline, auto makers probably will be unable to introduce lean-burn gasoline engines in this country. I would be remiss if I didn't note that we hope EPA eventually will seek to enable these new gasoline technologies by reducing the sulfur and gasoline to near zero.

Third, EPA has proposed to introduce the new fuel on a nationwide with a common deadline across the country, and very limited exceptions. This is necessary to prevent the fuel from contaminating sensitive new after-treatment systems. Besides reducing emissions all around the country, it will help ensure that trucks will be able to deliver their goods throughout the US.

And fourth, EPA's has proposed introducing the cleaner fuel before the new heavy-duty technology will have to be introduced. To the extent the proposed cap leads to near-zero sulfur fuel while automakers are still developing their Tier 2-compliant technologies, it will encourage them to continue working on the new fuel efficient diesel technologies. The future is bright for this technology, but additional investments are needed. And the availability of sufficiently clean diesel fuel will encourage that investment.

Does this proposal go far enough for Tier 2 diesel vehicles? Not quite. More needs to be done. The fundamental problem is getting the vehicle to meet the nitrogen oxide and particulate matter standards at the same time, as EPA has recognized. It will require near-zero sulfur levels -- up to a 5 ppm cap -- for the after-treatment systems to be used on these vehicles to

meet new emission standards throughout their useful life.

Near-zero or sulfur-free is the level that automakers around the world are endorsing. The recently updated World-Wide Fuel Charter explains that "sulfur-free" means a cap of between 5 and 10 ppm, to be further defined as more data become available. And I would commend the World-Wide Fuel Charter to your observations, if you haven't seen it. In this country, the Tier 2 emission standards justify adopting the lower limit. Emerging data from the Department of Energy Research support this view.

The Manufacturers of Emission Controls Association continues to recommend a cap of 5 parts per million, though supporting a 15 part per million cap on the assumption that most of the fuels will be below 10 parts per million.

The automakers are much less certain of this possibility and expect that refiners, as they improve their capability, will learn how to shrink their compliance margins from existing levels. Smaller compliance margins will enable refiners to market much more diesel fuel with a sulphur level above 10 parts per million, and this will likely be too high for both heavy- and light-duty vehicles.

Besides sulfur, EPA also should adjust other fuel properties, as described in the World-Wide Fuel Charter. Including cetane, aromatics, and distillation.

Is our position realistic? Are we asking too much? We think not. Refiners already are marketing clean diesel fuel in this country and abroad. Sweden, England, Germany are all on their way, as are Equilon and ARCO in the United States.

The key message: Refiners know how to make clean diesel fuel. Tax incentives and market demand will bring this fuel to market even faster than public estimates have predicted. We urge EPA to focus on its incentive packages as a way to encourage the marketplace to make the new fuel widely available and as soon as possible.

We understand the concern that some refiners may choose not to make on-highway diesel fuel. We believe that fuel supply will be driven by profitability, not cost.

To the extent that maintaining low sulfur levels throughout the distribution system becomes a challenge, we believe in the collective problem-solving capabilities of the free enterprise system to get there by the 2006 deadline.

We've come a long way in the debate over sulfur. Two years ago, automakers petitioned the EPA to reduce sulfur and gasoline to California levels. Today, everyone accepts the critical role that sulfur plays in our national environmental policy. Nations around the world are working to reduce sulphur in both gasoline and diesel fuel.

The issue is no longer whether to reduce sulfur, or even that near-zero sulfur fuels eventually will be needed -- but when will these fuels become available.

For our part, our members want to bring advanced technologies, such as the highly fuel-efficient turbocharged direct injection, and hybrid electric diesel vehicles to the point where they can operate cleanly and meet consumer needs.

The proposed 15 parts per million cap on diesel fuel sulfur is a very strong step toward helping clean diesel technology take its place among our options for the future. With diesel fuel quality on a par with the World-Wide Fuel Charter at sulfur-free levels, the American public would be able to get the full benefit of its investments in these advanced technologies. Thank you.

MS. OGE: Thank you. Mr. Williams.

MR. RON WILLIAMS: Good afternoon. My name is Ron Williams. I am an owner, President and CEO of Gary-Williams Energy Corporation, a Denver-based independent oil and gas company. Our primary asset is 50,000 barrels per day crude oil refinery in Wynnewood, Oklahoma. Company wide, we have about 275 employees and fall within the definition of small business refiner used for the proposed diesel sulfur regulations.

Small business refiners face the same problems as the majors with this rulemaking, but in most cases are problems are somewhat greater. We are less able to raise the necessary capital and to endure the related increased operating costs, which desulfurization investments will require. We face proportionately higher costs, because we do not enjoy the same economies of scale. And because of our size, we cannot compete effectively for the limited construction and energy resources.

Many of us are faced with meeting the stringent Tier 2 gasoline standards in approximately the same time frame. In our case, the impact of the combined proposals is somewhat devastating, and could cause us to shutdown our refinery -- with disastrous results on the local economy.

The SBREFA process offered an important opportunity for us and other small refiners to explore issues related to this rulemaking, and to express our deep concerns about the disastrous impact of a very stringent standard, particularly when coupled with an almost simultaneous Tier 2 gasoline standards.

There is no one solution that will enable all small refiners to survive. However, we do very much support the effort to provide cleaner fuels. However, we were extremely disappointed that the preamble to the proposed rule includes no provision that would accommodate a small refiner in the near term.

We can see only three possible avenues which might be of benefit. Number one, our greatest priority is access to the capital required to install the desulfurization equipment. And we believe that it would be very beneficial and appropriate for the administration to consider tax credits, loan guarantees, and other incentives which might enable small refiners to accomplish this together.

We estimate in our case that our capital costs to reach 15 parts per million diesel sulfur alone, for a total of approximately $46 million. That is more than twice what we paid for the refinery in 1995. In addition, our annual operating costs and

maintenance costs will increase from five to six million dollars per year.

Number two, if we must install currently available gasoline desulfurization equipment for the 2004 interim deadline, we estimate engineering, construction, and capital costs at $50-75 million, for gasoline alone. And an increase in the annual operating costs of at least $5 million.

We know of no possible financing sources willing to provide that kind of capital to our small business, particularly in the face of the increased capital costs for diesel desulfurization.

We strongly endorse the concept of flexibility on the gasoline standard that the small refiner is also subject to the diesel standard. We seek delay of all Tier 2 gasoline requirements until the year 2008, at the earliest for qualified small refiners.

The EPA has said it will consider temporary waivers based on extreme hardship circumstances on a case-by-case basis. We are deeply concerned, however, about the potential arbitrariness and timing of case-by-case negotiations. We think that hardship extension should automatically be granted for at least three full years before the 2004 Tier 2 implementation

deadline.

At the very least clear, straightforward and easy to administer hardship criteria must be delineated immediately with a small business refiner concurrence, so that our companies will be able to determine their eligibility. We will, in our written comments, address in some detail the criteria that we think will be relevant and appropriate for a temporary hardship waiver. We do need clarification of the hardship situation immediately.

Number three, retaining the small refiners' access to the off-road market is our third recommendation. It is critically important that we know as soon as possible the EPA's intention for the regulation of off-road diesel.

We believe that it is imperative that small business refiners be given an exemption from any new off-road standard, and allowed to continue to sell at the current level of diesel fuel in the off-road market.

In our case, the great majority of our diesel product currently is used in rural agriculture communities. Some measures must be adopted to conserve the off-road market for small businesses, and prevent larger companies from dumping higher sulfur diesel

fuels and diluting that market.

And we have other written comments addressing the other EPA proposed options, but I don't want to take your time with those now.

MS. OGE: Thank you. Mr. Slaughter.

MR. BOB SLAUGHTER: Good afternoon, Margaret and members of the panel. My name is Bob Slaughter, I'm General Counsel of the NPRA, the National Petrochemical and Refiners Association. NPRA is a trade association of virtually all and large and small US refiners and petrochemical producers who have processes similar to refiners.

NPRA is deeply concerned about the impact of EPA's new diesel sulfur proposal. We do not believe that it is possible to consistently maintain needed supplies of highway diesel within the 15 ppm sulphur cap level.

Although some refiners may be able to produce some amount of this diesel, many would be forced by its high costs to limit or forego participation in the highway diesel market. This would reduce supplies well below those available under a more realistic sulfur cap.

In addition, with the current logistics infrastructure, it will be extremely difficult to

deliver highway diesel with a 15 ppm sulfur cap to consumers and maintain the integrity of the sulphur level of the product. This highway diesel must share a distribution system with other products that have significantly higher sulphur levels.

At the proposed 15 ppm sulfur level, a significant amount of highway diesel will have to be downgraded to a higher sulfur product due to product contamination at the interfaces. This means a loss of highway diesel supply. With the enforcement at retail as opposed to the refinery gate, refiners would be forced to target their production to 7-9 ppm sulfur in order to account for the increased sulfur content picked up in the distribution system after the product leaves the refinery.

In short, we view this proposal as a blueprint for future fuel shortages and severe economic impacts. It threatens to leave American consumers a legacy of scarce and unnecessarily costly energy supplies.

Throughout protracted discussions with the EPA, the refining industry suggested a more reasonable way to reduce diesel emissions. We favor lowering the current 500 parts per million diesel sulfur cap to 50 parts per million, which will be a 90 percent

reduction. This is a very significant step. We believe it will enable diesel engines to meet the particulate matter standards sought by EPA, and also to achieve significant NOx reductions.

Our plan is still expensive, we estimate it will cost the industry roughly $4 billion to implement. But unlike the much more costly EPA proposal, this level of sulfur reduction is sustainable. Most refiners would choose to make the more affordable investments needed to make 50 ppm diesel.

On the other hand, under EPA's proposed program, only some refiners would invest in the expensive new equipment necessary to produce 15 ppm diesel. Many others would be unable to make the large investments necessary to produce the product. They would find other uses or markets for their current diesel output, significantly reducing the supply of highway diesel fuel available and creating volatility in prices.

More than 30 percent of the current supply of highway diesel could be lost until additional investments are made and new desulfurization capacity is built. This would be in response to higher diesel prices resulting from a market shortage. It could take

as long as four years for the industry to respond to these market factors at that time.

Some refineries will would likely go out of business. The proposed 15 ppm is estimated to cost the industry somewhere between $8-10 billion. This amount comes on top of the $8 billion in costs the industry is already incurring to implement EPA's gasoline sulfur program in the very same time frame.

A study to be released this week by the National Petroleum Council, a joint industry/government body, concludes refiners do not have the capability to make these investments within this time frame, and additional time is required for the low-sulfur diesel investments.

When a refinery closes, we lose its entire output: Gasoline, diesel, jet fuel, home heating oil. With the demand for petroleum products projected to increase, we, as a nation, cannot afford to lose any more refineries. Unfortunately, the agency appears unwilling to make the major changes in this proposal which are needed to avoid supply problems and resulting price volatility.

The industry's warnings about this rule are well-founded. One of our members, CITGO Petroleum, has facilities at the Lyondell-CITGO Refinery, which are

referenced in EPA's proposed rule as having the diesel desulfurization technology capable of producing 15 ppm sulfur diesel fuel.

Based on actual operating experience, however, the capital and operating costs are more than twice as high at the 15 ppm sulfur cap than has been claimed in the proposal, and the ability of technology to consistently produce below 15 ppm diesel is problematic.

What looks simple in theory doesn't always work in practice. The industry's scarce capital is needed for implementation of the gasoline sulphur rule and maintaining or expanding capacity to meet the increased demand for gasoline, diesel, and other products. Clearly, we should not ignore the warning signs of an already stressed supply system and rush to implement a plan like this diesel proposal, which really is based on little more than wishful thinking.

There are other serious problems with both this diesel program and the time frame in which EPA wants the changes. Engineering, planning, and construction resources will be in sort supply due to the implementation of the gasoline sulfur program in the same time frame. And we know that the demand for these resources comes from not only the US

requirements, but from efforts to reduce sulfur in Canada and Europe as well.

We also know that gasoline sulfur will exceed the permitting capabilities of EPA and state agencies, which means that their resources could be unable to act on applications for diesel-sulfur related permits in the same time period. Few synergies exist between steps necessary to implement sizable sulfur reductions for both gasoline and diesel. It is counterproductive to attempt to do both in the same period. And the unrealistic level of diesel sulfur reduction sought by EPA strongly suggests that efforts to comply with it will fail.

EPA argues that its proposal is needed to enable heavy-duty engines to meet stringent NOx standards in the 2007-10 time frame. Of course, that standard was arbitrarily selected. It is considerably lower than NOx standards for the same period in Europe and Japan, and is probably unrealistic. The $10 billion plan for 15 ppm diesel is largely based upon this arbitrary and unattainable target.

Fuel transportation systems can become severely stressed. The refining industry is faced with more than 12 regulatory actions over the next ten years. The cost of these programs, which are largely

uncoordinated, is astronomical. As a result of this crushing burden on refiners and fuel distributors, we are starting to see signs of stress in the system. The impact of unforeseen situations, such as refinery outage, a pipeline malfunction, or even the weather, is magnified under such conditions.

We strongly believe that diesel sulfur level should be reduced, but EPA should not adopt a regulation that puts the nation's energy supply at risk. Fuel and engine emission standards should be based on developed technologies and cost effectiveness. An adequate supply of sulfur diesel for highway cannot be assured, and distribution of this 15 ppm fuel is also probably not feasible.

NPRA urges the agency to discard that approach in favor of the more practical and sustainable 50 ppm diesel sulfur cap, which the refining industry advocates.

I want to thank you again for this opportunity to appear, and will be glad to respond to any questions that you have.

MS. OGE: Thank you very much. Mr. Ken Colburn.

MR. KEN COLBURN: Thank you. My name is Ken Colburn, and I'm the Director of the Air Resources

Division of the New Hampshire Department of Environmental Services.

Today I speak on behalf of the NESCAUM Organization, the Northeast States Coordinated Area Management, which represents the air quality control programs in the eight Northeast states.

The need to reduce pollution from heavy-duty engines and vehicles is clear. Construction, buses, and other heavy-duty vehicles are significant contributors to elevated levels of ozone, particulate matter, and several key toxic air pollutants of concern in the Northeast.

For some pollutants, heavy-duty engines single-handedly represent the majority of the emissions. Within the Northeast corridor, for example, they are responsible for approximately one-third of the oxide emissions, three-quarters of the motor vehicle related PM, and 60 percent of the aldahyde emissions, some of which are probable human carcinogens.

As a result, reducing heavy-duty engine emissions is a top priority in the Northeast. In fact, Northeast states have already dedicated significant resources for reducing emissions from heavy-duty vehicles.

For example, we have the implementation of

diesel smoke capacity enforcement programs throughout the region. Several retrofit programs, including those on construction equipment in Boson and on urban buses in New York. The development of other retrofit programs in collaboration with the EPA under its VMEP program. And the implementation of SCR demonstration projects undertaken with the manufacturers as part of supplemental and environmental programs.

The political commitment that was necessary to implement these initiatives illustrates the sincerity of state's desires to reduce diesel pollution. It's no surprise, then, that the Northeast states are extremely pleased that the EPA has put forth all proposals to substantially reduce pollution from these sources.

Attainment of the National Ambient Air Quality standards for ozone is of immediate concern to the states in the Northeast region, and may require substantial VOC and NOx reduction in addition to those anticipated from current stationery sources and motor vehicle control programs.

Moreover, the plan reductions won't ensure maintenance of the ozone standard as growth occurs. Urban air shed modelling suggests that NOx reductions on a regional scale are more effective than VOC

reductions. So programs that have substantial NOx reduction benefits, such as (inaudible) for heavy-duty diesel engines and vehicles are essential.

In addition to reductions needed to attain and maintain the one-hour standard, the NESCAUM states are concerned about the significant health effects associated with long-term exposures to ozone below the current one-hour standard. As a zero threshold pollutant, the health effects from exposure to even moderate levels of ozone are genuine and, at this point, virtually chronic. Unhealthful ozone levels were measured at 56 monitors in the NESCAUM region over the last three years, and have already occurred this spring.

Ambient toxic concentrations are also of concern for the Northeast states. Measured annual average concentrations of benzene, formaldehyde, and other toxics exceed cancer risk thresholds throughout the region. Heavy-duty diesels and gasoline vehicles contribute substantially to these concentrations, so it's imperative to reduce toxic emissions from these sources in the region.

Particulate matter has also been linked to a broad range of serious respiratory health problems, several of which you have already heard about so I

don't need to repeat them here. But California, as you know, has declared particulate emissions from diesel fuel emissions a toxic air contaminate. And several entities, including NIOSH, (inaudible) and EPA, in a draft report, have labeled it a probable human carcinogen.

The NESCAUM states support the agency's efforts to use available irrefutable scientific evidence to characterize potential cancer causing elements of diesel exhaust. Scientific evidence of cancer and non-cancer health effects of diesel exhaust exacerbates the existing public concern and frustration over smoking vehicles, buses, trucks, and heavy equipment.

This coalescing together of expert and public opinion provides added impetus to timely efforts regarding NOx, PM, and toxic emissions from heavy-duty engines.

The NESCAUM states have several specific comments on the EPA proposal, a few of which I'll go over now. We will submit more detailed comments in writing later.

The NESCAUM states strongly support the 0.2 grams per break horsepower-hour standard for heavy-duty diesel engines in 2007. The standard is both

technically and economically feasible using NOx adsorbers. Recent studies of adsorbers have shown greater than 90 percent reductions in diesel NOx emissions, and the EPA proposal provides the manufacturers of diesel engines ample lead time, seven years, to integrate adsorber technology into the new diesel engines.

The NESCAUM states also strongly support the .01 gram per break horsepower-hour PM standard. Currently available emission control technology, such as particulate filters, have been shown to reduce PM by 90 percent or more in heavy-duty vehicles.

Crucial to the widespread introduction and long-term durability of these technologies is a very low-sulfur fuel. Accordingly, the states strongly support EPA's proposal to require refiners to supply diesel fuel capped at 15 ppm sulfur. Desulfurization techniques necessary to reach this level exist commercially today. In fact, several oil companies in the US, including ARCO, are already supplying very low-sulphur fuel to customers.

Beyond new heavy-duty engines, the agency's proposal to cap highway diesel fuel sulfur at 15 ppm, will also facilitate retrofitting existing highway diesel vehicles with particulate traps. Given the

durability of heavy-duty diesel vehicles, retrofitting existing trucks and buses is an important, readily achievable public health benefit.

The introduction and widespread use of low-sulfur highway diesel fuel, including it's use in non-road applications, will also allow states to move forward with retrofit programs for non-road vehicle equipment, such as construction equipment. Due to the large NOx and PM contribution from non-road diesel engines, a contribution that approaches or may even exceed that of on-road diesel engines, the NESCAUM states urge EPA to establish parity between highway and non-road engine and diesel standards, and diesel sulfur fuel requirements in the shortest time.

Finally, the NESCAUM states strongly support EPA's proposed heavy-duty gasoline engine and vehicle standards. Advances in three-way catalysts and catalytic converters (inaudible) durable and effective emissions control at the high temperatures that can occur when heavy-duty gasoline engines are running at full load.

The agency is also proposing more stringent evaporative controls for heavy-duty gasoline vehicles, which will reduce toxic emissions such as benzene and (inaudible), both of which are known human

carcinogens.

In conclusion, the nature of this heavy-duty engine emissions (inaudible) air quality standards to more effectively protect the public from exposure to ozone, particulates and toxics is evident. Equally evident is the fact that the Northeast air quality problems cannot be solved by state and local measures targeting traditional sources.

Further, states are federally preempted from regulating heavy-duty engines and diesel fuel. These facts make it incumbent upon the EPA to move forward promptly and aggressively with the proposals, in order protect the health and quality of the life of over one quarter of the nation's citizens within the NESCAUM region.

The NESCAUM states applaud EPA's aggressive initiative to reduce heavy-duty engine emissions and sulphur in diesel fuel. When fully implemented, the current proposal will reduce 2 million tons of NOx per year nationwide. In addition, it will reduce over 82,000 tons of PM, and will enable additional reductions through retrofits. Toxics will be reduced by 32,000 tons.

The magnitude of this air quality improvement is simply unavailable in any other sector, and the

costs are quite competitive with the measures already implemented in other sectors.

The health and welfare of the nation cannot afford to miss or delay this opportunity. So that we trust the EPA will more forward with this and finalize the regulations by the end of the year.

Thank you and a final comment, some of the thoughts we've had today leave me to recall the rule of thumb developed in (inaudible), of which both you and I are veterans, that when you ask an engineer if you can do something you get nothing but problems; when you tell an engineer to do something, you get nothing but solutions.

MS. OGE: A couple of your comments were consistent with the supply and distribution problems as we were developing the proposal. We have analyzed the potential supply and distribution issues, and we have put forward our position, our proposed position on the supply and distribution problems.

We would very much appreciate it if you have specific data analysis that would lead us to believe something contrary to what we propose, we would very much appreciate it if you would get that information in writing during the comment period.

And we still have until August 14th. So then

we would encourage you, if you have actual information that would lead us to a different conclusion than the conclusion that we have put forward, which is, you know, adequate supply and distribution problems, it would be very important to us as we're moving forward towards putting the final law together.

MR. WILLIAMS: As you know, we'll be glad to supply data as part of our comments for you.

MS. OGE: Thank you very much. Thank you for coming forward to testify.

I would like to ask for the next panel members to please come forward. State Senator Tom Duane, Mr. Alec Evans, Mr. Gerald Faudel, Mr. John Duerr, Mr. Carl Johnson, Mr. Tim Zellers, and Ms. Marie Curtis.

Senator Duane, good afternoon and welcome. I will start with you.

MR. TOM DUANE: Good afternoon ladies and gentlemen. I'm New York State Senator Tom Duane, representing the 27th Senatorial District in Manhattan. And by EPA's own monitoring data, the district I represent is a densely populated, demographically diverse area, with approximately 300,000 residents, contains some of the most highly polluted air in the United States.

On behalf of my constituents, I am here today to urge you to adopt these proposed new emission and fuel content standards without any dilution of their requirements and without any delay in the time frame for implementation.

As we speak, rates of asthma and other respiratory elements are frighteningly high and rising in much of New York City, and particulate matter or soot is found in our air at levels well above what federal guidelines are for health and safety recommendations.

This proposed package of new regulations would go a very long way toward reducing these urgent health problems, and could not come too soon. With volumes of traffic, particularly diesel fuel powered traffic, steadily climbing in our city, and with the possible introduction over the next several years of new types of diesel fuel vehicles, strict reductions in the output of dangerous pollutants from diesel vehicles are absolutely necessary to preserve the health of residents of my district, and this city and, indeed, to preserve the very liveability of our communities.

It is clearly time for these sorts of regulations to be put in place. A generation ago, federal guidelines which mandated the reduction of lead

contented gasoline and introduced the widespread use of catalytic converters to reduce the output of toxic pollutants by motor vehicles in the United States, had a profound impact on the cleanliness and safety of our air. One merely has to travel to any country which does not require such guidelines for gasoline content to perceive the palpable difference in the air one breathes. And sadly, statistics regarding respiratory elements in many of these regions of the world bear out these first-person observations.

This new set of proposed guidelines will do much the same for diesel fuel powered vehicles, making them dramatically cleaner in their output, and substantially reduce the amount of pollutants emitted into our air.

In a country which is so motor vehicle intensive in its use as ours, strengthening and extending this sort of requirement to include these classes of vehicles is critical. In a city like New York, where people live, work, and play in such close proximity to these sources of dangerous pollutants, it is an absolute public health necessity. It is hard to imagine how much of New York City would meet newly imposed national air quality standards without these strict new regulations in place.

More than one in ten Americans lived in, worked in, or traveled to New York City last year. These millions of Americans breathed air with shockingly high concentrations of pollutants linked to lung cancer, leukemia, reproductive and developmental defects, respiratory and cardiovascular diseases, and premature death.

Diesel fuel powered vehicles such as trucks were a major contributor to this pollution output, and account for a much higher percentage of such pollution output than in many other parts of the country. New York is, and unfortunately will probably remain for the foreseeable future, dependent upon trucks powered by diesel fuel for commerce and delivery of goods and materials. These trucks, along with diesel fuel powered buses of all sorts, utilize our highways which ring our neighborhoods, and are in uniquely close proximity to where large numbers of people live.

In narrow Manhattan island, the most densely populated area of the United States and the destination of by far most of the commuters and visitors to New York City, we are literally encircled by such roadways. Much worse for us, however, these currently highly polluting vehicles very frequently use our city streets not just to get to or from delivery points, but

as a means of traversing the New York Metropolitan region.

Because of a federal law passed in 1986, a one-way westbound toll is mandated on the Verrazano-Narrows bridge. This has had the unfortunate and dangerous effect of encouraging large truck traffic to find other means of getting across New York City when headed westbound to avoid this steep double toll. All too often, that means taking one of the East River bridges or tunnels to enter Manhattan from its East Side, traveling through the narrow and densely built-up streets of Lower and Mid-Manhattan to get to the Holland or Lincoln tunnels, and exiting Manhattan from its West Side as a means of reaching New Jersey and other points west.

We continue to fight to get this unfair and unduly burdensome law changed, and recognize that the EPA cannot necessarily reduce the volume of this black smoke-belching diesel fuel truck and bus traffic we see on our streets, and really right outside our windows, every day. However, with these regulations in place, you can at least significantly reduce the volume and danger of the clouds of smoke which they emit into in the air in our homes, workplaces, parks, playgrounds, and hospitals.

The proposed regulations will involve a small increase in costs for the new diesel fuel and new compliant engines it would mandate. However, the cost, as compared to the savings undoubtedly resulting from lowered levels of nitrogen oxides, hydrocarbons, particulate matter or soot, sulphur oxides, carbon monoxide, benzene, acetaldehyde, and butadiene in our air and the health problems which they create or exacerbate, would be quite small.

As the regulations allow reasonable time for conversion and compliance, I again urge you as strongly as I can to move forward with the implementation in full, without any weakening amendments or delay.

I thank the EPA and the Administration for its hard work, intelligence, and foresight in moving these regulations forward. And I look forward to enjoying, along with my constituents and all my fellow New Yorkers, the safer, healthier air which these regulations will allow all of us to breath. Thank you.

MS. OGE: Thank you, Senator Duane. Mr. Alec Evans.

MR. ALEXANDER EVANS: Good afternoon. My name is Alexander J. Evans. I'm a student, environmentalist, captain of Haverford College's

basketball team, and the outreach coordinator for the Clean Air Council. Most importantly, I'm a brother.

My brother, Nicholas is a 26-year old graduate student at Harvard University. He is a budding political theorist who has always maintained a passion for sports. Although he has continually remained active, my brother suffers from an irregular heartbeat.

I do not know how many of you in this room have a family member who suffers from a heart condition or other ailment that is affected by air pollution. I can assure you, however, that if a member of your family suffers from an irregular heartbeat, or for that matter, any other serious affliction that is exacerbated by toxic diesel emissions, you will understand the passion of my testimony.

Since I was young, I have always looked up to my brother. I owe him so much. He is my role model and I marvel at how much he has managed to teach me. Throughout my childhood I was always amazed at my brother's athletic abilities. I cherish the time that he spent with me in the backyard. From basketball to baseball to soccer, he was always willing to spend time with me. There is no doubt in my mind that my athletic prowess is the direct result of his tireless efforts.

As a young child, more than any other pro athlete or entertainer, I looked up to my brother and followed his every step.

I will never forget the day when my brother was diagnosed with an irregular heartbeat. I will never forget the sight of my brother running up and down the stairs of the doctor's office with his shirt off and his chest full of devices designed to monitor his heart rate. As I looked at my brother, I wondered how someone who had always been deeply involved in athletics could have an irregular heartbeat. I was worried that something was terribly wrong with my brother.

After it was determined that his heart beat at an irregular rate, my brother was told that he would probably never notice his condition. As time passed, however, and the doctors continued to monitor my brother's heart rate, they began to worry that his heart would react adversely to the ever-increasing air pollution of large cities. My brother, to this date, has never had a serious episode. Nevertheless, he is still monitored by doctors and he is restricted from exercising when the national ambient air quality standards for ozone reach or surpass either the 1 or 8 hour federal health standards. Essentially the only

thing that can seriously aggravate my brother's heart condition is air pollution.

My brother is not alone. Millions of Americans suffer from similar conditions. Many of these individuals do not share my brother's luck. People with irregular heartbeats are extremely susceptible to harmful particulates. Particulates, which constitute a majority of the harmful emission divulged from diesel vehicles, interfere with the body's ability to control its heart rate and rhythm.

For someone who suffers from an irregular condition, exposure to particulate matter can be fatal. Recent studies have shown that particulate matter directly limits the body's ability to control the human heart rate.

The evidence is clear: Emissions from unregulated vehicles have a direct effect on our communities. To make matters worse, thousands of people are unaware that they suffer from an irregular heartbeat. If diesel engines are allowed to keep polluting the air at their current rate, the repercussions will be disastrous. Individuals who once did not have to worry, may soon begin to feel the effects of diesel engine emissions.

There is other conditions, such as asthma and

lung disease, are also exacerbated by dangerous soot emissions. A recent study estimated that 2,599 premature deaths are caused by soot particles each year in Philadelphia alone. Although diesel exhaust specifically endangers children, the elderly, and those living near highways and bus depots, the pollution has an effect on each and every one of us. This is a serious problem.

It worries me that my brother may soon have to deal with this issue every day. It worries me that he lives in a city wrought with pollution and dirty air. I pray that the harmful particulates and nitrous oxides emitted from diesel vehicles will never affect my brother, but I am not confident.

This proposed rulemaking will have a direct effect on the health of millions of Americans. Not only will it help children, the elderly, and people with other health conditions, but it will help ease the pain for all those connected to anyone with the aforementioned health problems.

This proposed rulemaking will have a direct effect on the health of millions of individuals, and all of those who care for them. If this nation cares about the health of its citizens, this proposed rulemaking must be approved. Thank you for allowing me

to speak on this crucial issue.

MS. OGE: Thank you. Mr. Johnson.

MR. CARL JOHNSON: Thank you. Good afternoon. I'm Carl Johnson, Deputy Commissioner of Air and Waste Management of the New York State Department of Environmental Conservation.

I am pleased to be here today to offer the Department's comments on the EPA's proposed heavy-duty engine and vehicle standards and the highway diesel fuel sulfur control requirements.

On behalf of DEC's Commissioner, John Cahil, I want to commend the EPA for its strong proposals for making long-term reductions in emissions from diesel powered vehicles. We've seen continued progress, we're very pleased with the Tier 2 rule. (inaudible) as well, and striking against emissions from diesels is the next logical step we have to make.

Air quality concerns confront New Yorkers every day, as you've heard from so many people here today. The New York metropolitan area is a non-attainment for ozone, and Manhattan is non-attainment for particulate matter, as well.

The health effects associated with reduced air quality have been widely discussed here today, and is well documented. But we're greatly concerned by

recent information that has linked fine particulate matter to not only respiratory distress, but also to increased cancer risks and possibly pulmonary disease as we've just heard.

To address these issues, the DEC has implemented a wide range of control programs at the state level, impacting almost every source of pollution from large industrial boilers, to automobiles, architectural coatings, and even personal hygiene products.

We've learned, as well, that nearly 15 percent of the New York metropolitan area NOx inventory is related to on-road diesel engines. An additional 22 percent we expect is related to non-road engines. As much as half of the PM10 measured in certain areas of New York City has been linked to diesel.

Further, diesel engines are believed to be the major contributor of fine particulate matter. And of course, we'll know more as we begin our first round of testing, and as we implement the PM Supersites and for the first time speciate what's in the particles that were collected.

A wide range of toxic air contaminants for which ambient quality standards have not been set are

also known to be emitted from diesel engines. Without significant reductions in this category, we will not be able to meet our air quality goals.

Understanding these concerns, the Department has started to address heavy-duty vehicle emissions to do all we can on the state level. We initiated a periodic smoke inspection program for diesel trucks registered in the metro area, and a roadside inspection program statewide.

In April, Governor Pataki announced that the Metropolitan Transit Authority, MTA, would begin to make its New York City bus fleet the cleanest in the nation. Activities under this initiative have already begun with conversion of the Clara Hale Depot to low sulfur (30 ppm) diesel fuel; the retrofit of 50 buses at that location with Continuously Regenerating Technology; by purchasing alternate fuel, hybrid electric, and clean diesel buses equipped with CRT or other technologies. And by retiring the worst buses in the fleet early, MTA plans to greatly reduce the emissions of particulate matter from its fleet over the next few years.

The Department, DEC, will be working with MTA to verify the emissions reductions through appropriate measurement technologies, and we expect to be able to

transfer what we learn about measuring those reductions to other diesel fleets in the metro area.

In addition, and we're particularly proud, MTA will be (inaudible) DEC, a state of the art diesel engine testing facility, which will be one of only three in the country that we're aware of, that will be capable of sophisticated analysis of in-use diesel engine emissions. It will be able to take something that's been on the road and analyze what's actually coming out of the tailpipe.

While the MTA project is a great step forward, it will only affect about 4,000 buses in a city that sees ten of thousands of heavy-duty vehicles every day. These vehicles travel into and out of the New York region daily, hundreds of miles from their point of origin in many cases. To truly effect significant changes in diesel emissions, we need a national program that will impact the entire diesel vehicle population.

A national emissions initiative for diesels will ensure the greatest environmental benefits, as well as levels the playing field economically. This issue is critical for both public and private interests.

As with the light duty Tier 2 standards, the

EPA correctly views both the diesel engine and fuel as parts of a system that must be taken together to ensure the effective control of emissions from heavy-duty vehicles. The role of fuel in meeting emission standards is critical, and must involve a collaboration between the fuel suppliers and engine manufacturers. Ultimately, credit for meeting the strict heavy-duty standards will belong to both sectors.

The Department agrees with the EPA that significant reductions in diesel fuel sulfur are necessary to enable emissions control equipment to function properly at the levels necessary to meet the proposed standards. Some of the most promising technologies may require near-zero sulfur levels. Therefore, we support the 15 parts per million sulfur limit included in the EPA's proposal.

While we strongly support this rulemaking, the DEC believes there are some modifications that would enhance the benefits to the health and welfare of the public. And I will enumerate a few of them.

First, EPA should extend the regulations to non-road diesel engines as soon as possible. Non-road engines are a significant source of NOx, PM, and toxic materials. Technology for such control is similar to on-road controls, and, as such, extending the diesel

controls to non-road engines should not be unduly delayed.

We'll note that many of the neighborhoods that we've heard from today and we'll hear from later on, in addition to the issues of diesel trucks, we have diesel generators and diesel construction equipment in neighborhoods, and a lot of other issues that the off-road sector really contributes to.

Second, the EPA should consider speeding up the process of closing crankcases on diesel engines, and investigate mechanisms to retrofit existing engines and on non-road engines. Our testing indicates that the open crankcase is a significant source of the toxics that come from the diesel engine.

Third, the EPA should investigate additional fuel changes. There is a strong relationship between cetane and NOx emissions. A change in the cetane levels at this time levels would result in NOx reductions from all in-use diesel engines without additional retrofit.

Fourth, while the EPA has indicated an expectation that it will change non-road diesel fuel standards, those changes are not included in this rulemaking. It's our understanding you expect that in a year or so. We would really like to have the EPA

announce its intentions now. We think that that's fair for the fuel industry and it's fair for the engine manufacturers as well, so that they can properly and economically plan for the changes that will result from the non-road standard.

Fifth, the EPA should develop a broad enforcement program with not only an engine certification, but also includes in-use testing under real world conditions. While the new heavy-duty engine standards are excellent, they must be enforced and supported by a strong enforcement program.

And, finally, the EPA should support the inclusion of On Board Diagnostics, as part of any new engine certification. OBD, On Board Diagnostics, is an important element of reducing the deterioration of emissions control equipment. It is easy to diagnose (inaudible) and, of course, is becoming part of our standard tool bag on dealing with (inaudible) vehicles. The early planning for eventual in-use compliance issues should be emphasized to avoid major technical and programing issues that may come down the road.

The EPA must work with the states as partners in this effort on the common issue of cleaning our air. The states are ultimately responsible for

modifying the final air quality benefits (inaudible). We need to be part of the effort. Our request is that the long-term planning for in-use measurements and compliance begin early in the technology roll out.

New York State has developed considerable expertise in the area of heavy-duty vehicle emissions. Currently, we are developing the testing capability for heavy-duty vehicles and engines. We're ready to partner with the EPA, the engine manufacturers, fuel providers, and the emissions control interests to ensure that the federal regulations will deliver the desired emissions reductions in a reasonable and practical way.

The Department will submit detailed comments on EPA's proposed regulations in the near future, including supporting data from our testing programs. We are pleased to continue working with you. Thank you.

MS. OGE: Thank you. Mr. John Duerr, welcome.

MR. JOHN DUERR: Thank you and good afternoon. My name is John Duerr, I'm here today representing the Detroit Diesel Corporation. Detroit Diesel is a major manufacturer of diesel engines, including heavy-duty on-highway engines, which are the

subject of today's rulemaking. Detroit diesel is pleased to have this opportunity to present our views in this proposed rule.

I may also say that Detroit diesel is member of the Engine Manufacturers Association, and supports the comments of that organization which were made earlier today.

Detroit Diesel wants to congratulate the agency in adopting a systems approach in this rulemaking by proposing substantial fuel quality improvements in support of their extremely challenging new engine emissions standards.

Heavy-duty highway engines have been regulated since the early 1970s, and since that time there have been remarkable reductions in engine emissions. By the time the 2004 emission standards take effect, NOx and particulate emissions will have been reduced by approximately 90 percent.

Carbon monoxide, hydrocarbon, and smoke emissions from diesel engines have also been reduced substantially, and today stand at levels that are roughly 10 percent of the current standards.

For the most part, these impressive emission reductions have been achieved through improvements of engine design. Although this approach has been

successful in the past, I believe I can state without the fear of contradiction that the 2004 standards are very close to the limits of what can be achieved with engine modifications alone.

Any substantial emission reductions beyond those reflected in the 2004 standards will require the use of exhaust after-treatment systems. Efficient and durable exhaust after-treatment depends on the availability of very low sulfur diesel fuel.

Thus, Detroit Diesel not only supports EPA's approach of considering diesel fuel quality and engine emissions standards together, we believe that this is the only viable path for achieving future emission reductions of significant magnitude.

While Detroit Diesel believes that reductions in diesel fuel sulphur levels are key to achieving the next level of emission standards, we are not certain that the NOx standard that the EPA has proposed will be feasible even with the fuel meeting a 15 ppm sulfur cap.

The proposed 0.2 grams horsepower-hour NOx standard will require the development and use of an after-treatment system with over 90 percent effectiveness over an extremely broad range of operating conditions.

Detroit Diesel is not aware of any systems that have demonstrated this level of effectiveness in the laboratory, let alone meet the requirements of a production feasible system with minimal deterioration and effectiveness over the full 435,000 mile useful life period.

We are continuing to review and analyze the available data, and will provide more detailed information regarding the feasibility of the proposed NOx standard and the adequacy of the 15 ppm fuel sulfur cap before the end of the comment period.

On a related note, the preamble to the proposed rule indicates that supplemental not-to-exceed and steady-state provisions, which are yet to be finalized as part of the still pending 2004 rulemaking package, will apply to the proposed 2007 standards.

It is further noted that a number of modifications to those provisions are expected relative to the proposal that was released in October of 1999. These provisions have a very significant impact on the stringency and feasibility of the proposed standards.

Since we have not, as yet, seen these finalized provisions, we cannot asses their impact or comment meaningfully on how these provisions impact the technical feasibility of the proposed standards for

2007. Because of the extreme importance and complexity of these provisions, the EPA must provide assurances that there will be adequate time in this rulemaking for public review and comments on these supplemental provisions after the 2004 rulemaking has been finalized.

Detroit Diesel appreciates the EPA's intent to provide flexibility by proposing an option phase-in for the proposed NOx, NMHC, and formaldehyde standards. While this approach have been successful in managing the transition to new standards for light-duty vehicles, we believe this program will be unworkable for heavy-duty engines because of customer preferences, cost factors, competition between engine manufacturers, and issues related to truck design which will make it impossible for engine manufacturers to manage sales to meet the proposed phase-in as scheduled.

As an alternative, we suggest that a two-step implementation with a substantial reduction in the NOx plus NMHC standard applicable to all heavy-duty diesel engines in 2007, and a second large reduction in 2010.

We believe two-step implementation will avoid the problems associated with managing engine sales, is more aligned with technology readiness, and can achieve emission reductions that are equivalent to EPA's

proposed phase-in schedule.

One aspect of the proposed rule that Detroit Diesel finds troublesome is that the agency did not include any changes to the emission test procedures. The emission test procedures that manufacturers are required to use in certifying and auditing engines are currently codified in the Code of Federal Regulations.

These procedures were developed in the early 1980s, and were first applied when the NOx and particulate emission standards were 10.7 and 0.60 grams per horsepower-hour respectively. These procedures were never designed to provide reliable measurements at the extremely low emission levels represented by the proposed standards.

Testing programs conducted jointly by EPA and the industry show that emission measurement variability using these procedures is approximately the same magnitude as the proposed standards. With testing variability of this magnitude, it will simply not be possible to reliably determine if the proposed standards are being met.

Clearly, substantially improved test procedures and equipment need to be developed. Further, the improved procedures must be developed with sufficient lead-time to allow manufacturers to obtain

and install the necessary equipment to upgrade their laboratory facilities and complete the development of compliant engines before the new standards take effect.

We believe this is a major undertaking and one that calls for an immediate initiation of a large-scale cooperative effort between the agency and industry.

Again, Detroit Diesel appreciates this opportunities to present our views on this important rulemaking. We will follow-up with more detailed comments on a number of issues before the end of the comment period. Thank you.

MS. OGE: Thank you. Mr. Faudel, welcome.

MR. GERALD FAUDEL: Good afternoon. I want to thank you for the opportunity to provide these comments regarding the diesel fuel sulfur provisions, and the proposed rulemaking designed primarily to limit emissions from heavy-duty diesel engines.

My name is Gerald Faudel, I am Vice President of the Corporate Relations for Frontier Oil Corporation. We own and operate a small refinery in Cheyenne, Wyoming. With only approximately 700 employees, Frontier is one of the 22 small business refineries identified by the agency as subject to the

provisions and protections of the small business (inaudible).

The small refiners very much appreciate your formal acknowledgment, as compliance with the dramatically reduced diesel sulfur standard will cost a small business such as Frontier as much as 50 percent more on a per gallon basis than it will cost a large oil company. We also very much appreciate your efforts in this process to find possible ways to partially offset these disproportionate costs for small businesses.

However, we have a long way to go. And unless this rulemaking process can be extended, a very short time to get there for a small business refinery to be allowed a fighting chance to survive. This regulation continues to provide much needed competition in the transportation fields market.

The (inaudible) flexibility a small business requires within this proposal is a much more difficult task than the agency's recently successful Tier 2 gasoline (inaudible). Unlike the passenger vehicle engine controls in Tier 2, the proposed heavy-duty diesel engine emission control systems endorsed by the agency seem to be paradoxically (inaudible), allowing for absolutely no flexibility in the diesel sulfur

standards.

In addition, the effects of this standard on small businesses are much more numerous and widespread, and much more varied than it was in Tier 2. Small business refiners will be adversely impacted by this rule (inaudible) small refiners in California, who have already been driven out of the gasoline manufacturing business by the costs of the California regulations (inaudible), but it can still make and sell diesel fuel.

A small native American owner in Alaska that is pioneering a unique desulfurization process for diesel fuel, that may not be able to meet a very low standard with the flexibility proposed. Small business refiners that have historically made predominately off-road diesel, may soon face disintegration if the prime market of off-road diesel fuel is dumped or produced by large oil companies.

The small business agriculture co-op refinery uniquely serving the needs of the Midwest, and a number of small business refineries like Frontier still manufacturing both gasoline and diesel fuel, may now face potentially debilitating costs if there are simultaneous qualifications on their facilities to meet these two expensive new gasoline and diesel sulphur

standards at nearly the same time.

In the preamble to the proposed rule, you have asked for comments on a number of programs that may help small businesses like Frontier comply with this regulation. With the exception of the suggestion that small refiners might be granted a higher final off-road diesel standard than the rest of the industry, my response to each program suggested is: Yes, we need that and we need more.

We must accept that the best that the heavy-duty diesel engine manufacturers can do to meet their emission limits, is to design emission control systems with nearly sulfur intolerance. The agency has correctly concluded (inaudible) small business refiners (inaudible) in other related areas, (inaudible) small refiners to comply.

Frontier, therefore, believes it is necessary to allow small business refiners to choose any or all of the potentially useful combinations identified as follows, so that we have the best possible chance of survival.

We further do not believe that any of these small business refiner combinations will in any way diminish the environmental benefits. Unfortunately, neither can we guarantee all of this will remain

economically viable.

Number one, small business refiners need the ability to continue to manufacture and sell on-road diesel at the current 500 parts per million standard for as long as there's a market for that fuel. And without commensurate requirement to manufacture the new ultra low sulfur diesel, or for their customer stations to carry it.

Number two, the EPA must take steps to protect the off-road diesel market from damage from dumping of on-road diesel fuel to the off-road market by large refineries.

Number three, small business refineries who manufacture both gasoline and diesel fuel must be granted a four-year extension of all Tier 2 gasoline sulphur requirements without suffering the uncertainty or hardship of the original application approval process.

Number four, small business refiners need the EPA's help in endorsing and obtaining economic assistance possibly through income or tax incentives, or loan guarantees, so that the small businesses can better absorb the 50 percent (inaudible) the agency has estimated they will incur.

It is unfortunate that the agency has not

given adequate time to ensure that this rule is technologically sound and economically practical when it was proposed. It is likely due to the rush to promulgate it before the end of this election year, but it will have to be revisited in the future if there is to be stability in the fuels marketplace.

Regardless of the outcome and irrespective of the final diesel sulfur standards, small business refiners like Frontier must obtain the combinations described above if we are to continue to play a competitive role in that marketplace.

Thank you again for your consideration of these comments. I would like to reserve the opportunity to supplement this presentation in writing prior to the end of the comment period.

MS. OGE: Thank you. Mr. Tim Zellers, good afternoon.

MR. TIM ZELLERS: Good afternoon. Thank you for allowing me to speak today. My name is Tim Zellers, and I'm a law student at Brooklyn Law School. I'm the co-chair of the Brooklyn Law School Environmental Justice Club, and I'm a summer intern at the New York Public Health Research Group.

I'm here to ask you to adopt a common-sense approach to cleaning up toxic emissions. Nationwide,

40,000 people die each year from breathing pollution. Diesel soot pollution is worse, because it is linked to cancer by over 30 independent scientific studies.

Diesel vehicles contribute more than their fair share of air pollution. In fact, here in New York City, when the proposed standards go into effect, heavy-duty trucks and buses will be responsible for 30 percent of the smog-forming pollution, and 11 percent of the soot produced by all city vehicles.

Every internship that I've had so far in my law school experience -- I was at the New York City Department of Environmental Conservation last spring, I was at the New York City Environmental Justice Alliance in the fall, I worked with citizen coalition groups around Williamsburg last summer -- every issue dealt with the quality of life. And the quality of the people's lives in New York City dealt with the quality of the air. And they were all affected by diesel buses and heavy-duty traffic from trucks moving garbage about, moving commerce about -- it has a direct influence on every person living in the city.

I agree with your proposal to protect the public health, cleaning out big trucks and buses. Now, it makes sense that you're proposing to reduce sulphur levels in diesel fuels by 97 percent before the new

vehicle standards go into effect.

I urge you not to weaken this provision by allowing an extended time line, or higher sulfur levels. If the newer, cleaner trucks do not have reliable access to 15 parts per million sulfur, we will not be able to meet the necessary pollution reductions.

Furthermore, these newer, cleaner trucks should be required to meet the emission standards as soon as possible. We are already going to have to wait until 2007 before we see any major reductions in soot pollution. We should not wait until 2010 before we get relief from the smog forming pollutions. Instead the emission standards for smog forming pollutions should be fully implemented in 2007.

Finally, cleaning up existing diesel makes sense for our health and our country. By replacing diesel with cleaner technologies makes even greater sense.

Therefore, I would ask the EPA to provide incentives to increase the use of advanced, technologically clean vehicles. Thank you.

MS. OGE: Thank you. Ms. Curtis, welcome.

MS. MARIE CURTIS: Thank you, and good afternoon. I am Marie Curtis, Executive Director of

the New Jersey Environmental Lobby. We're an organization that represents roughly 100 local, regional, and statewide environmental groups in New Jersey, as well as some 1000 individual members.

We are here in strong support of the Environmental Protection Agency's proposed diesel rule.

We all know that the California Air Resources Board has declared diesel exhaust (inaudible). We know about the health effects. And we know that ground level ozone also affects vegetation, damages the leaves of the plants and trees, reduces growth rates, weakens plants making them more vulnerable to diseases and insect invasions.

But most importantly, for too long our New Jersey citizens have endured dirty air and the detrimental effects such chronic exposure entails. We have rising rates of asthma, and one of the worst concentrations of tuberculosis in the world. And, yes, tuberculosis is a transmittable disease, but it's also very difficult for individuals to fight tuberculosis if they have weakened lung structure. And that's what this dirty air has given us.

New Jersey has been in serious non-attainment of the National Ambient Air Quality Standards right

from the very beginning of such evaluations. We have taken measures to improve stationary source emissions, and we have required emission checks on family cars. And are now going to enhance inspections of those vehicles.

New Jersey, however, is a corridor state. We sit between the metropolitan areas of New York and Philadelphia, and we are also in the center of the Boston/Washington megalopolis. In addition, we are the most densely populated state in the union, with heavy congestion on our roads from both residents and through traffic. Much of the through traffic is heavy-duty diesel, delivering freight from points outside of the Garden State to points either in or beyond us.

And freight traffic in New Jersey is even more heavy, because rail freight must be trucked across the Hudson, since the nearest rail freight crossing of that river is four miles south of Albany. There is no other way, really, to get freight across the Hudson to those markets in the city and on Long Island. But regardless of destination or origin, diesel emissions from vehicles foul our air on a daily basis and to a very great extent.

Diesel trucks and buses are responsible for 11 percent of the nitrogen oxide pollution nationwide.

With the concentration of vehicular traffic in our state, we would presume the figure in New Jersey to be even higher. Nitrogen oxide is a necessary precursor to the formation of ground level ozone and smog. It's not surprising that we suffer harmful ozone effects summer and after summer. We need to require emission reductions in trucks, just as we have in our automobiles.

Catalytic converters that reduce NOx and other pollutants, however, cannot function with current diesel fuel. The sulphur content in diesel fuel is currently roughly 500 parts per million. This is the ingredient that renders catalytic converters inoperable on diesel engines. The rule proposes to reduce the level drastically. The rule would allow only 15 parts per million by 2007. This would allow pollution control equipment to function and, thus, would reduce pollution and smog from these sources.

However, it isn't just the heavy-duty diesels on our roads. Off-road vehicles must be included if we are to truly achieve the goals that we have set out here. We don't believe that phasing in is really necessary. We don't believe that we should to have wait for healthy air.

The Blue Sky's Program mentioned in the rule

should have the most stringent standards possible. We believe that incentives are good, but they must sufficiently benefit the public to warrant their introduction in the first place.

In conclusion, really our major criticism of this proposal, is why it took so long to come forth and why we must wait so long for implementation.

We strongly endorse the proposed diesel rule, and we thank you for the opportunity to be heard here today.

MS. OGE: Thank you, and I would like to thank all the panel for taking the time to come and share their views with us. Let me call the next panel.

MR. BOB KULIKOWSKI: Good afternoon, ladies and gentlemen. My name is Dr. Robert Kulikowski, and I am pleased to express the view of Manhattan Borough President, C. Virginia Fields, on this issue.

Let me begin with some background information. You are undoubtedly acutely aware that New York City's air quality is among the worst in the nation. EPA projects that ozone precursors generally will decline next the decade before experiencing an increase. However, this is of little comfort to New York City, since it is currently designated as a non-attainment zone for ozone under the National

Ambient Air Quality Standard.

Worse yet, the EPA projects that emissions of particulate matter will increase over the next decade. Unfortunately, this already appears to be the case in New York County, Manhattan, which while not designated a non-attainment zone for PM and should be. In 1998, Manhattan exceeded the NAAQS for PM, but since findings are based on three-year averages, the lower averages for 1996 and 1997 brought the three-year average below the standard. And clearly we are seeing an increase of particulate matter in the air.

Manhattan, along with the other boroughs, has neighborhoods where asthma and other respiratory diseases are at near epidemic proportions. As discussed by the EPA in the background material for this proposed rulemaking, and indeed many other sources, ozone and particulate matter found in diesel exhaust aggravate these conditions. Especially in children.

Clearly Manhattan, New York City, and the region need to clean up their air. New York City is also a major transportation hub with goods moving from other parts of the country into the city and through it to reach New England and Long Island. Unfortunately, this movement of goods occurs predominately by truck.

Diesel truck.

Major transportation corridors through Manhattan -- Canal Street and the Holland Tunnel, the Lincoln Tunnel, Midtown Tunnel, and the George Washington Bridge -- slice through many residential neighborhoods. Even casual observations reveal slow moving bumper-to-bumper 18-wheelers inching their way through the borough, spewing diesel exhaust into the air. In addition, sanitation trucks, buses, and other vehicles, fire engines, ply our streets to provide essential services, but which still generate diesel exhaust.

Our president, C. Virginia Fields, has long been a staunch advocate for reducing diesel emissions in the city. Recently she has helped convince the Metropolitan Transportation Authority to reduce its purchases of diesel buses and to accelerate its clean bus program for New York City.

This will help our air, but it's not enough. The entire issue of diesel vehicles must be addressed -- our municipal fleets and commercial trucks delivering goods or passing through, as well as off-road sources.

Therefore, while the total elimination of diesel fueled vehicles would be the ideal scenario,

given today's technologies, the Borough President wholeheartedly supports the EPA's proposed rulemaking as an initial, comprehensive approach to the diesel emission problem. Combining the use of low-sulur fuels with additional pollution control devices for heavy-duty vehicles makes ultimate sense.

Specifically, Borough President Fields supports the 15 parts per million cap on sulfur content in diesel fuel -- a 97 percent reduction from current allowed levels; the proposed emission standards for heavy-duty vehicles that will reduce PM by 90 percent and oxides of nitrogen by 95 percent; the use of after-treatment technologies; as well as implementation of these standards nationwide.

The low-sulfur fuel standard is to be implemented in 2006 in time for modifications in the 2007-model year vehicle to achieve the standards. We would very much like to see this time frame reduced to the greatest extent possible. It is our understanding that the American Petroleum Institute has estimated that it would take about four years to implement these standards. While others may hold differing opinions, the startup costs of the industry alone should not be sufficient to delay its implementation.

Finally, the fact that these changes will be

accomplished with, in our opinion, very little economic impact is extremely gratifying. The EPA's estimate that reducing the sulfur content in diesel fuel will cost about 4 cents a gallon and, over the long term, less than $2,000 per vehicle -- an insignificant amount compared to an average price tag of $250,000. The savings in people's health, fewer hospitalizations and emergency room visits, lost time at work, and an increase in the quality of life are just a few of the benefits that will be realized. Clearly, this is a no-brainer. And these rules should be finalized as soon as possible. Thank you for the opportunity to comment.

MS. MARTIN: Thank you very much. Mr. Weck.

MR. LARRY WECK: Good afternoon. My name is Larry Weck, I'm the Vice President of Business Development for Syntroleum Corporation. My company has developed a process to convert natural gas into ultra clean fuel.

My specific interests in this hearing is that Syntroleum has developed a (inaudible) diesel. My comments at this hearing will focus on the potential impact that Syntroleum's synthetic diesel, and similar synthetic fuels available from other producers, will have on the US transportation fuels industry.

I will also review the significant environmental and energy security benefits that will develop with the increased production and use of synthetic diesel and similar fuels from other producers during the next decade.

Syntroleum strongly believes that blending this synthetic fuel into the present diesel fuel can assist refiners, large and small, in the meeting the cap of 10 parts per million diesel sulphur requirements by 2007.

Let me describe the properties of the synthetic diesel. Synthetic diesels have been developed and tested by Syntroleum and others. These diesels meet or exceed the properties specified by ASTM 975, and are highly suitable for conventional and advanced compression (inaudible) engines in both the North American and European markets.

Additionally, Syntroleum's synthetic diesel has been demonstrated to be a viable fuel (inaudible). This synthetic diesel is physically similar to the petroleum-based diesel, but it has superior combustion emission characteristics. It contains no detectable levels of sulphur or metals (inaudible).

Our diesel and Swedish city diesel are the cleanest diesel fuels commercially available today.

Syntroleum's synthetic diesel never exceeded the applicable EPA Tier 1 emission standards appropriate for each test platform, according to your manufactured vehicle category.

In addition, the SDRI (phonetic) tests revealed that synthetic diesel emissions for criteria pollutants are significantly lower than each of the other diesel fuels tested. For just the heavy-duty engine platform, nitrogen oxide emissions are 22 percent lower than EPA provisions, 14 percent lower than car, and 11 percent lower than the Swedish diesel. Particular matter emissions are 38 percent lower than EPA diesel, 25 percent lower than car, and 25 percent lower than Swedish diesel. And Air toxic emissions are 34 percent lower, 13 percent and 27 percent respectively.

These environmental benefits can be realized immediately because this diesel can be used in the existing, conventional diesel engines. The absence of sulphur enables vehicles to operate on synthetic diesel with the use of advanced technologies you have heard about today, including catalytic converters and particulate traps, to achieve lower emissions.

Moreover, it's truly really a pleasure to point out to the EPA and to the American public that

the synthetic diesel under discussion here has a very low solubility in water. Additionally, laboratory testing indicates that this synthetic diesel has a significantly lower level of toxicity than traditional diesel, and is more biodegradable.

Synthetic diesel fuel provides substantial energy security benefits to the US. Syntroleum develops (inaudible) technology for both its own commercial use and for license to others in the production of diesel fuels. As such, the synthetic fuel production technology is broadly available to the energy industry in the production of synthetic diesel.

Present licensees of this process are ARCO, now BP, (inaudible), Texaco, Ivanhoe Energy, and recently the Commonwealth of Australia. (Inaudible) natural gas, methane rich gas containing up to 30 percent inerts (inaudible). These (inaudible) are abundant worldwide.

Production of these synthetic fuels is the logical component in the plan to (inaudible) petroleum-based fuel in the transportation sector, because, number one, the US has plentiful natural gas resources. Number two, numerous countries, in addition to members of OPEC, have plentiful natural gas resources.

The full-cycle fuel energy required to produce this diesel is potentially more energy efficient than full-cycle fuel energy required to produce diesel containing sulfur or reformulated gasoline. The comparable full-cycle production of synthetic diesel requires less energy than the production of either reformulated diesel or reformulated gasoline or petroleum.

As a case in point, a study by Oakgrade (phonetic) National Laboratory identifies the potential energy security benefits that would be realized with the increased use of this diesel. It would reduce reliance on imported oil as a transportation energy resource, because it can be manufactured domestically from US reserves of (inaudible) quality gas. In addition, the manufacturer's subsidies would broaden and diversify supplies, and increase the level of competition, thus reducing the price.

For the refining industry, this diesel can be produced economically in a variety of plant configurations, site conditions, and the proximity of the plants in the fuel market.

As trucks continue to grow in popularity, the shift from gasoline to diesel engines is evidenced by a 12 percent growth rate for the period '96 to '98, and a

44 percent growth rate for the one-year period of 1997-98. In the heavier portion of this category, where some of the most popular, full-size SUVs and large pickup trucks are found, the shift from gasoline to diesel is even greater: 18 percent for 1996-98, and 50 percent for '97-98.

With the increasing availability of cleaner diesel fuels, manufacturers of diesel-powered vehicles will be better able to bring their diesel technology and experience into the US marketplace.

Of particular interest to this hearing is the need for the community's fuel to meet Tier 2 standards. The demand for diesel in the United States transportation sector is growing three times faster than gasoline. If this growth and demand continues, 100,000 barrels per day incremental capacity will be required (inaudible). Availability of synthetic diesel will increase the options available to refiners to provide for this production of diesel under the proposed rules.

Synthetic diesel will enable the refining industry to have more flexibility to meet the anticipated increasing demand for Tier 2 specs. Using only conventional refining technologies for the production of the 15 parts per million diesel will

require more processing and more natural gas or hydrogen production.

Once the diesel fuels improve the current level, 350 ppm, to below 50, additional reductions in diesel fuel sulfur require disproportionate increases in energy and hydrogen. In this instance, when the conventional diesel with an additional 30 percent (inaudible) synthetic diesel reduce sulfur from 20 to 15 ppm, is expected to be a more carbon and energy efficient means to achieve compliance for numerous refineries compared to their traditional (inaudible).

Most significant to this hearing is that the economics of synthetic diesel may be particularly enhanced and used as a blending agent. More detailed information will be supplied on this topic.

In conclusion, our use of synthetic diesel fuels will bring significant environmental and energy security benefits to the US during the next decade and beyond. Syntroleum strongly believes that the expected increased availability of these fuels will dramatically assist refiners in meeting the sulfur requirements by 2007 both by blending the in-place fuel stream, and by supplementing the refining capacity that will become economically challenged. Thank you for the opportunity to speak today.

MS. OGE: Thank you very much. Mr. Tripp, good afternoon.

MR. JAMES TRIPP: Thank you very much. My name is James Tripp, I'm the General Counsel of Environmental Defense, a national environmental organization. We have in the New York/New Jersey/ Connecticut metropolitan area somewhere around 30,000 members, we have 300,000 members nationally.

I've prepared a statement, I do not intend to read it verbatim. You can do so at your leisure.

Needless to say, in general we strongly support this rule. We all would have been better off if the rule had been proposed ten or fifteen years ago. But if you live in a metropolitan area like this, as cars have gotten cleaner, the dirty nature of emissions from heavy trucks as well as buses has become all the more evident.

Particulate emissions are a very serious problem in this metropolitan area. And I think as Carl Johnson noted, when and if -- and we hope the sooner the better -- the EPA finally puts in place the PM 2.5 standard, we will have a clear idea just how serious the particulate problem is. And a lot of this problem is associated with diesel admissions from trucks.

In connection with the DEC proceedings in

which we are a party, we have looked at the PM 2.5 data from a couple of air monitors in the South Bronx.

These are monitors which are on top of school buildings, so they don't really tell you what's going on at the street level where the heavy trucks are. But the analysis that was done by a physicist working with (inaudible) indicated that the PM 2.5 levels, based on that data that had been certified, was at or slightly above 15 micrograms per cubic meter, which is above the proposed EPA standard for 2.5 particulates.

And my suspicion is that if and when we have a better and more detailed air monitoring network, and we're willing to look at what's going on along the streets that are heavily used by trucks -- whether we're talking about the Bronx, or lower Manhattan, Newark, or other parts of the metropolitan area -- we will find PM 2.5 levels well in excess of 15 micrograms per cubic meter. This is a deplorable situation.

We cite in our testimony, and you've probably already heard today, about the health data about the nature of diesel particulates. And, of course, it was just last month that the Department of Health and Human Services, in their report on carcinogens, classified diesel exhaust particulates as reasonably anticipated to be human carcinogens.

And I think you're probably also aware of the fact that the South Coast Air Quality Management District Board in the Los Angeles area has just come out with a report on the toxic nature of diesel emissions, indicating that diesel emissions were responsible for about 70 percent of all air toxic carcinogenicity in that region. There's no reason to believe that the same isn't the case here.

So it seems to me that the evidence that fine particulates generated by diesel emissions are of great health concern throughout this metropolitan area. But it is particularly in parts of the city that tend to be populated with lower income, minority populations that it is an extremely serious problem. And certainly we, therefore, support the particulate rule.

With respect to nitrogen oxides, again other speakers have indicated that truck NOx emissions are becoming a larger and larger portion of all nitrogen oxide emissions. Probably the most serious general air pollutant problem that this country faces today is linked to nitrogen oxide emissions. Those emissions have been going up, we to have to do something about it. We should reduce by 90 percent, or more, as quickly as we possibly can, the nitrogen oxide emissions of trucks.

Peter Lehner mentioned the eutrophication of Long Island Sound. The City of New York is going to be expected to spend half a billion to a billion dollars on finalizing nitrogen removal treatment plants. And Connecticut, Westchester, Long Island will be doing the same. We've got to reduce nitrogen input into Long Island Sound by a very significant percentage if that's going to be become a health body of water again. And that alone is justification for reducing nitrogen oxides.

We certainly would support, strongly support, a much more rapid implementation of the NOx emission rule. I believe the rule allows for four years of implementation, 2007 to 2011. Given the number of years that any truck is on the roads in this country, and the number and the distance that a truck goes before it's finally retired, the sooner that that rule can be implemented the better. We would strongly support implementing the rule 2006, 2005 -- as early as possible.

With all of that, diesel fuel has got to be as clean as possible. And given what ARCO is doing in California, and what other refineries are beginning to do, we think that the 15 parts per million sulfur rule for diesel fuel is very reasonable in this schedule.

Just a couple of other points: We strongly agree with what some other speakers have said, that this rule ought to be applied for all non-road vehicles. And, again, the sooner the better. The off-road vehicles are looming as a larger and larger portion of all air pollutants. They've been largely unregulated -- it's time to move ahead with a program to regulate those sources.

And we also agree that for this rule to make sense, there's going to have to be a stringent enforcement program by the states with the federal government behind it, because a lot of these trucks move interstate commerce.

And, finally, we'll just note our support for the EPA retrofit partnership program. Which I think the EPA has recently announced on a demonstration basis. We hope that you, that the EPA can find some partners here, or a partner with whoever, to buy and make use of retrofit trucks that are found in this region. And we would be happy to work with EPA to see if we can help find some suitable partners. Thank you.

MS. OGE: Thank you very much.

Ms. Fisher.

MS. ALEXANDRA FISHER: Thanks very much.

My name is Alexandra Fisher, and I am a concerned citizen. I'm very nervous, because I'm speaking only of my personal experience.

I don't know a lot of numbers and lot of the statistics, I only know that I'm a life-long resident of New York City and that on what we call a "bad air day" when I blow my nose, the kleenex is black. That I look at that and wonder what my lungs look like.

And that my brother, who is eight years younger than I am has asthma. And that he doesn't live here in New York anymore, but when I get a call from him in the hospital and he talks about almost dying, and I know that part of what is potentially killing him is the air quality, I become very afraid.

I grew up in the sixties learning that all war would end, the air would become clean, the water would become clean, all people would be equal, women would have equal rights, people of all colors would be living together in harmony -- and I've been waiting for this happen. And I'm not giving up yet.

And it is so frustrating to me when the answers are within reach. They're difficult, from what I'm hearing today. I'm not stupid, I understand that this isn't a matter of anybody snapping their fingers and making change happen. It's a long-time progress,

and this country barreled along because nobody knew of the problems that would be created.

But now that he would have ways of finding out what the problems are and we start to know what the solutions are, I find it unbelievable that everyone doesn't think the way I do and just want to clean everything up. Because even the people who are making lots and lots of money from polluting also have to breathe this air and drink the water, and their children do. And I don't understand why it becomes a political battle.

I heard about the new standards that are proposed. And what I understand of them, I like. I agree with the other things that I have heard today, that I wish they could be implemented sooner.

I am a privileged person in that I have a job, I work for myself. If I want to leave New York City, I can. And I plan to. Partly because it's so dirty. But, like I said, I'm privileged. There are many people who don't have the privilege of leaving large urban areas, and are subject to the pollution that continues to grow there.

I myself suffer from bronchitis. And when I'm in a bad pollution area I have, at times, had go to the emergency room myself for bronchitis. And I know

that with pollution it happened to me in Mexico City. And then when it happened to me New York City, I was amazed that we were as bad as they were, because I had always heard how awful it was in Mexico City with the pollution. And to think that I could get that sick here was appalling to me.

I don't want to ramble. I didn't write, I wrote a few things down for myself here.

But I think the important thing here is that if I do put a face on my brother, which I can't -- but he looks almost exactly like me -- and to think that my brother might live or die, depending on the air quality, and that my brother is only one of the millions in this country, and I don't know how many in the world, who are affected on a daily basis by air quality, then maybe it will help to move this out of the political arena, the economic arena, and into one, as someone mentioned before, where the costs go beyond what it costs individual companies to comply, or for the government to help subsidize, and then it will go into what we mean if we have country full of healthy people who go to work every day, almost every day. Where sick days will be maybe because they drank a little too much the night before, not because they had to go to the emergency room. Those kinds of costs, if

we can hold back and see the larger picture, are what I think we're really talking about.

I have seen the Hudson River get cleaner, I never thought that would happen. When I was little, that was a lost cause. It is now -- it is not clean, it is cleaner. I would like to see the same thing happen with air. I would like not to have to be finding places that are air conditioned to go to in the summer when the wind isn't moving across Manhattan. I don't like air conditioning. And, again, that's a privilege to be able to find it or have it.

So basically I just want to say that I think the standards, as I've heard them and understand them, are good ones. As other people have said, I wish they could be implemented sooner.

And that I want everyone here to remember, no matter which side you're on, that this is a human issue and that we all have to live here and share the air. We may as well work together to make it the best air that we can possibly have.

Thank you.

MS. OGE: Thank you very much for your testimony. I wanted to just say to you that to be able to hear from people like you is exactly why we're here in New York and going to Chicago, Atlanta, and Denver

and California and getting out of Washington so that we can hear from the people. So thank you very much.

I now understand that Mr. Perez and Mr. Corbin will be sharing testimony, so however each of you wish to proceed.

MR. JOE PEREZ: Good afternoon. My name is Joe Perez, I'm President of (inaudible), Vice President and Chair of the South Bronx Clean Air Coalition.

The oil industry is here fighting this rule claiming that the reduction of diesel fuel is too expensive. That is adding insult to injury to our community. It has become apparent that the lives of Latinos and African/Americans are in a susceptible role. The South Bronx in upper Manhattan lead the nation in emergency room visits due to asthma caused by air pollution. Why is it that we are the target for every major polluting project the city/state can think of?

To mention a few: The (inaudible) Medical Waste Incinerator, which placed toxics into our air until we shut it down. Waste transfers stations and bus depots that increase the amount of diesel fuel pollution that causes asthma, heart disease, and lung cancer. A Home Depot that is being built on 116th Street that will bring into our community 7,000 more

cars and 120 more trucks a day. The New York Post, and the Harlem River (inaudible). We are being killed, and a sad part of it is that we are being made to pay for it.

Another thing that we need is enforcement of existing laws. An example: An incinerator had 800 violations before they closed it down. Now any driver know that if you have a few violations, they're going to take your license away.

The trucks, they park all over the place. Three or four of them park right in front of the day care centers. On 138th Street in the Bronx, they park right next to a school, leave the truck running, go out and eat lunch or breakfast.

When you speak to the police department, they say well, we don't have no authority against that. When you speak to the traffic department, they don't have no authority on that. Speak to the DEC, they don't have any authority on that.

Well, now, whose job is it to enforce the laws that are on the books?

On the question to address the oil industry's fear of losing millions of dollars: A child's life is priceless. We ask that you please pass this law.

MR. CECIL CORBIN-MARK: Good afternoon. My

name is Cecil Corbin-Mark, and I am the Program Director for an organization called West Harlem Environmental Action. We have members who are life-long residents of north Manhattan and Harlem.

To be specific, our organization is based in Northern Manhattan and works on environmental issues locally, statewide, and nationally. Since 1988, WE ACT has worked to educate community residents about the threat to human health created by these particulates, and today I'm really here to applaud the EPA for putting forth such a strong rule.

In 1997 we launched our Clean Air Good Health campaign, with a series of English and Spanish bus shelter ads in Northern Manhattan and a battery of brochures that were all designed to inform people that if you live uptown, breathing was something that you did at your own risk. And to call attention to the fact that Northern Manhattan was saturated with six out of eight of the Transit Authority's bus depots, and a series of networks that comprised a very complex truck route system, all in area that was only about 7.4 square miles that was also home to more than half a million residents.

One of the things that I certainly want to call attention to, or three things that I think are

important about this particular rule:

One, EPA's new rule, in very short and succinct terms, for residents of Manhattan will really mean fewer asthma attacks.

Two, Northern Manhattan, as we understand it from some of our colleagues who were (inaudible), is really awash in diesel particulates. And one of the major contributors to that is the truck traffic that is there, as well as the buses.

Now, we've worked for more than a decade to deal with the buses thinking that that was an avenue through which we could have some leverage, because quote unquote, it was a "public service," only to find that 13 years later after the battle began that we were now beginning to get to the point where there was some light, possibly, at the end of the tunnel, but we still haven't seen it yet.

The trucks, however, we have to throw our hands up at completely and say well, there seems to be no hook. Well, hurrah for the EPA, because today with this proposed rule if it is implemented, yes, there really does become a hook that deals with the hundreds of trucks that we have had our YRDP(?) crew monitoring -- our YRDP crew is the Youth Reach (phonetic) Development Project -- monitoring truck

traffic on our local streets. Hundreds of trucks just barreling down the streets on a daily basis, because New York City has no proper real infrastructure for the delivery of goods.

The third thing about this rule is that cleaner air really will be a regional benefit as well as a national benefit, and it's something that we should not take lightly.

Now, many are going to come and argue in opposition to this particular rule. Some of the arguments will have to do with the cost. The oil industry constantly throws up the cost. I find this particularly galling that every time as the state of science advances and we find out more about how to either improve the quality of our environment or protect our public health in a significant way, that industry seems to come up with a red herring for why we shouldn't go forth with this, and usually that red herring is cost.

The first thing that I want to say about cost is that I was astounded to find out that while the oil industry particularly throws this up as an issue, that Exxon Mobile, the largest of the barons, if you will, in the oil industry, recently published in one of their financial disclosures, quarterly financial statements.

And what left me astonished was that in that quarterly financial statement, one of the things that was revealed was that in a quarter Exxon Mobile made enough money to actually have some of this stuff happen.

Now, I don't know understand, if we live in this particular time that is so opulent and supposedly so rich -- for some, obviously, but not for all -- why we're not taking on these challenges. Costs should not be a factor.

In fact, if we are going to talk about costs, then it is incumbent upon me as a resident of Northern Manhattan to demand that people look at the fact that there is a cost to the increase in hospital admissions for asthma cases. There is a cost to mothers and fathers who have to take off from work to attend to a sick child, or to take care of their own asthmatic conditions that are related, or triggered by this particular pollutant. There is a cost to the number of school days that are lost.

And why are we not factoring in those costs as well?

I suspect that the reason for that is that the picture that would be revealed upon that kind of mathematics would not be a pretty one.

Secondly, one of the things that I am

troubled by also is that people will say that this particular type of modification to the oil industry's infrastructure will actually leave the industry in fiscal ruin. Well, I go back, again, to this Exxon Mobile quarterly statement, and I can't imagine that that would be true.

I think that it is high time that we own up, all of us -- both the industry, the private sector, private residents, all of us -- own up to the challenge ahead.

When we were faced with this issue of lead in gasoline poisoning all of our children, America rose to the task. And I think we are at another crossroads like that now. We must rise to the task. Because, really and truly, I believe that in the end our society's well being will not be judged by the magnitude of the bottom line, or the fat GNP or GEP figures, but really it will be judged by the quality of life we provide for each and every one of our citizens.

I think this rule moves us in that direction. Moves us in the right direction of improving the quality of the air that we breath, and providing an opportunity for those who suffer -- like many of the Northern Manhattan residents -- to improve

the quality of their health.

Our organization over the last couple of years has really engaged in a series of community-based research projects with our academic partner at Columbia University. And some of those scientific research projects have really left us with what we believe are the smoking-gun findings.

We conducted a study amongst seventh graders in Northern Manhattan to determine what the lung function was with the students who were exposed to diesel and smog. And because we -- because of the politics in the city, we had to get started with what we were calling our quote unquote "control school" first.

When we were finished and all of the information was gathered from that control school, supposedly the school that was supposed to be the least exposed, we found that the students in those schools were so much awash in diesel particulates that it really did not even make sense for us to go forward and check the exposed school. The levels of exposure were so high that even a control school was, in effect, an exposed school. That is something that is intolerable.

I want to end by talking about some of the

residents that I know in Northern Manhattan who live there, work there, and call it home.

Joselito (phonetic) Mendez was a young man that I actually met through our program. He started coming to our organization when he was about 14-years old. Very overweight, intensely shy, but a very brilliant mind and a gentleman of a young man who was a severe asthmatic. Could not play, could not get involved in any substantive physical activities for fear -- all of his life -- for fear that he would be seized by an asthma attack.

(Inaudible), another young lady who came through our earth cleaning project, she also was a severe asthmatic, but determined she was going to continue to live her life the way that she would. She actually fought through her asthma attacks, and decided that she was not going to be stopped by it.

Jamal is a young child of four-years old who I just recently became aware of. And when I first met his mother her bag was filled -- she opened her bag at one point with the child in her lap, and began to give him an inhaler. A four-year old. To me, this is some of what the new rule will help us move beyond.

And lastly, Paris Walsby (phonetic), a woman who is 44-years old and headed something called the

Harlem Textiles Project, that in the prime of her life, died from an asthma attack.

I think that it is time that we move beyond, I think that it is time that we work collectively to implement these changes sooner than 2007 or 2006. And I think we can do this. Thank you.

MS. MARTIN: Thank you very much, sir.

Ms. Rubel.

MS. JENNY RUBEL: Thank you for the opportunity to speak to you today. My name is Jenny Rubel, and I'm here as an intern from the New York Public Interest Research Group. I'm here to urge you to adopt the toughest possible standards to reduce pollution from heavy-duty vehicles.

Here in New York, smog sends more than 12,300 people to emergency rooms each year, and causes over 510,000 asthma attacks. Making matters worse, a study by local air pollution control officials estimates that diesel exhaust is responsible for 125,000 cases of cancer in the United States.

Air pollution is an issue that residents of urban areas, especially in New York City, have to deal with on a daily basis. All throughout the year, but particularly during the summer, individuals, even those who do not suffer from asthma or other diagnosed lung

diseases like myself, can feel the effects of air pollution from itchy eyes and difficulty breathing.

In order to protect the public health, we must require drastic reductions in pollution from these large trucks and buses as soon as possible.

I was, therefore, disappointed to learn that the EPA has delayed the rating until 2010. In addition, because high sulfur fuel will poison the new diesel clean up technologies, we must ensure that all diesel fuel is fully cleaned up and readily available.

Specifically, I urge you to, first of all, reduce diesel sulfur levels to no more than 15 parts per million nationwide for both on- and off-road vehicles by 2006. Secondly, clean up all big trucks and buses by at least 90 percent 2007. Third, ensure that big trucks are meeting the emission standards on the road, and not just during the engine tests. And finally, I urge you to increase the use of diesel alternatives, such as electric and fuel cell buses.

These measures are critical to the protection of public health and the environment. I hope you will seriously consider them. Thank you for allowing me to speak today.

MS. MARTIN: Thank you very much, we appreciate it. And finally Mr. Henry, if you can

please present your testimony.

MR. CYRUS HENRY: I have a presentation. My name is Cyrus Henry, I am a Ph.D. chemist of Octel America. For the last 27 years my principal area of work is (inaudible).

MS. MARTIN: Excuse me, if you could please use the microphone. Thank you.

MR. HENRY: One of the provisions of the proposed rule will prohibit the use downstream of refineries of additives that contain more than 15 parts per million of sulphur.

For most additives, that is only an inconvenience in the sense that the solvent that is used with the additive must be cleaned up (inaudible).

But there is a small niche group of additives called "static dissipator additives" that contain sulphur as part of their active ingredient. And what I would like to request today is permission, or some sort of exception to permit downstream use of these additives. And, in fact, there's not an awful lot of latitude that's required, because in general the sulphur content in use concentration of these additives is very small, on the order of a few parts per million. And so by allowing the downstream sulfur contribution of less 0.2 ppm, these additives could be

used.

Essentially, they help prevent the possibility of electrostatic ignition during tank truckloading and loading ramps. About a million of these loadings take place every year, and very frequently the last load in the truck was gasoline, so there are flammable vapors present.

The API records during the period of recordkeeping, which stopped in 1981, showed that there were 121 ignitions during tank truck loading. These incidents continue to occur. The incidents or rate of incidents has reduced. But in 1994, which was soon after the introduction of low-sulfur diesel, a series of these occurred in Minneapolis. And the final ignition destroyed not only the truck, but the loading rack and damaged several other surrounding trucks. So it's a serious problem.

These incidents come about because when fuel moves through piping pumps and so forth, it tends to entrain electrostatic charge. And this occurs in the same way that you generate a charge rubbing across the carpet. Movement causes charge liberation. This charge in low conductivity fluids can accumulate with the fuel in a receiver. And if you have flammable vapors present, you may have a spark which can then

ignite those vapors.

Just as point of reference, if you walk across the carpet in winter and feel a spark, that spark was probably energetic enough to ignite a flammable (inaudible) combination.

The tricky part of this, which even some people in the business don't understand very well, is that this can occur even though a truck, a loading pipe, and all that, are properly grounded. And that is because the fuel itself may be so resistant to current flow, the charge that's in it accumulates (inaudible) and literally can't get through the fuel itself to the ground. And so even if it's grounded, you can still have this internal spark from the fuel surface to the interior of the tank, which can cause a fire or explosion.

So there are a variety of ways that this can be handled. There are procedures that are well-known in the business, like reducing the flow rates and so on, that help mitigate electrostatic charges. But that various over a very broad range, dependent on minor trace factors such as the composition of materials and trace materials in the fuel.

The flammable vapors result from switch loading from gasoline to diesel, which is very, very

common in the petroleum industry. It's a fact of life. Sparking sources can be minimized, but they cannot be eliminated. And one of the best solutions to help prevent this kind of accident is the use of static dissipater additives to prevent accumulation of charge.

These could, of course, be added by the refiner. But these are frequently multiple events at terminal loading racks, and the terminal operation is often not the responsibility of the refiner. The fuel goes from him and the majority of fuel goes through a pipeline to a terminal maybe several owners away removed from him. So it's not really his problem.

And it is well-known that when these incidents occur, another one is likely. So that the downstream operator needs a way to address this quickly. And the use of these additives is an excellent remedy. Furthermore, when you add them downstream, you also minimize the concentration. You don't to have to worry about loss during the distribution system.

As I said before, all of the available static dissipater additives contain more than 15 ppm sulfur as part of the active ingredient. However, the normal use concentration is very low, on the order of one to three

parts per million typically. And the concentration in the fuel is easily monitored with available instruments, such as those described in the ASTM D2624. Something like this. (Indicating on screen.)

You put the probe three-quarters of its length into the fuel, press the button marked "major," and read the result. So you can very easily monitor the conductivity, which can then be a surrogate for measuring sulphur content. As you know, the D2622, which is normally required by the EPA, is fairly complex and requires requisite expertise. This instrument does not.

Also, it allows for 0.2 ppm of sulphur. It will be essentially undetectable by D2622. That will be about three percent at 0.2 of the precision of the methods.

We are actively seeking alternative additives, but certainly at the likely time that this rule will be implemented it will not be known for sure whether they will be available.

Hence, I think you can feel very comfortable that there's going to be pressure to develop such additives, because refiners and fuel suppliers are not going to want to give away (inaudible) margin to an additive supplier. There are substantial performance

requirements which are not easy to meet. And also there's an advantage to have the same additives for diesel fuel as used for aviation fuels.

Aviation fuel approval will take eight to ten years. I will reiterate my recommendations is that you modify NPRM to permit downstream use of static dissipater additives under conditions that assure ULSD sulfur content is not increased by greater than 0.2 ppm.

MS. MARTIN: Thank you very much. This, I think, concludes this panel. We appreciate you all very much for coming, and the rest of you for being so patient. We would like to quickly move into the next panel.

Mr. Carhart, would you like to begin, please.

MR. BRUCE CARHART: Good afternoon, thank you very much. My name is Bruce Carhart, I'm the Executive Director of the Ozone Transport Commission, or OTC. OTC was created by Congress as a result of the Clean Air Act Amendments of 1990 to coordinate ground-level ozone control planning in the Northeast and Mid-Atlantic. Twelve states and the District of Columbia are represented on OTC.

I would like to say right up front that we

support the engine emission and fuel standards contained in EPA's recent diesel proposal, because we believe that they will help us in our efforts to clean up the air in our region. The Northeast and Mid-Atlantic states have experienced a pervasive ground-level ozone problem for many years.

Ground-level ozone is a major public health concern, and we have already had days in our region this year which exceed the National Ambient Air Quality Standards. Our states have adopted many of their own air pollution control strategies to reduce the emissions of pollutants that cause ozone. Strategies include both controls on emissions of volatile organic compounds, also known as VOC, and nitrogen oxides, known as NOx.

Coordination on a regional level is critical because ozone is a regional air pollutant. Ozone can in fact be transported over hundreds of miles downwind of NOx and VOC sources. A regional problem needs a regional solution, and with the national nature of motor vehicle traffic and sales, a strong national program helps us to solve a regional problem.

It is important at this hearing to stress the role of NOx, because diesel engines are large contributors to our overall NOx inventory. Reductions

in NOx emission are critical. Our studies of ozone show that regional NOx emission are strongly related to regional ozone formation and transport.

Correspondingly, reductions in regional NOx emissions generally reduce regional ozone formation and transport.

We in the Northeast and Mid-Atlantic states have done a lot to reduce NOx emissions within our region. For example, in 1994 we approved the OTC NOx Memorandum of Understanding or MOU, which substantially reduces NOx emissions from major stationery sources, such as power plants and large industrial boilers. We just issued a report on the first year of this second phase of our effort, which documented more than a 50 percent reduction in NOx emissions from affected sources in 1999.

As stationery sources of NOx are reduced, mobile sources become a larger proportion of the remaining NOx which needs to be addressed as a part of our state plants to reduce air pollution. EPA's recent finalization of the Tier 2 program for light-duty vehicles and trucks is certainly a good step forward to reducing broad regional reductions of NOx emissions.

However, Tier 2 does not address heavy-duty diesel engines and fuels, which we know will become an

increasing part of the problem.

Now let me address EPA's proposal specifically, and indicate a number of major points we would like you to keep in mind.

First, we support the proposed engine and fuel standards that EPA has published. We know that we will need additional emission reductions from diesel engines as soon as possible. And we know that major reductions in diesel fuel sulfur are fundamental to attaining those emission reductions. It is clear that diesel sulphur is a major impediment to the development of a range of emission control technologies for diesel engines. Reducing diesel fuel sulphur all the way down to a cap of 15 ppm by mid-2006 as EPA has proposed, should provide sufficient flexibility for the development and utilization of new technologies. The EPA should finalize this proposal as soon as possible, but no later than the end of this year.

Second, while we believe that the engine standards themselves should be finalized, the phase-in schedule should be accelerated. With the implementation of low sulfur fuel in mid-2006, we are not convinced that four years are necessary for program phase-in. Diesel engines turnover relatively slowly, and any possible acceleration of the phase-in will be a

positive step.

Third, we believe that while this proposal is a major plus for us as states as we prepare our long-term plans, more needs to be done on the off-road fuel. Reduction in on-road diesel fuel sulfur, while absolutely necessary, does raise the issue of where the extra sulfur will be directed in the refinery process.

Benefits of the on-road diesel proposal would be substantially reduced if the sulfur were simply directed into off-road diesel fuel and other off-road fuels. We believe that EPA should finalize rules during 2001 that makes non-road fuel subject to the same standards as are being proposed for on-road diesel fuel.

Fourth, we are pleased that EPA has developed this proposal to reduce multiple pollutants simultaneously. Producing a comprehensive regulation that reduces ozone precursors and fine particulates, while reducing toxic air pollutants at the same time, is good public policy.

In summary, we believe that EPA should finalize this proposal as soon as possible, but no later than the end of this year, 2000. We are supportive of this proposal, and believe that with a few changes that it can be even better.

As a part of my statement, I am including a copy of the resolution OTC approved at its annual meeting on June 1, 2000. We will also be submitting detailed written comments by the deadline. Thank you for the opportunity to come before you today, and I would be glad to take any questions you may have.

MS. MARTIN: Thank you very much. Mr. David Bartlett.

MR. DAVID BARTLETT: Thank you, good afternoon. My name is Dave Bartlett, and I'm here today on behalf of the Diesel Technology Forum.

The Forum is a new group working to enhance public dialogue with a wide range of stakeholders, including the EPA, other government agencies, and other interested parties. Our intention is to explore a wide range of opportunities to reduce emissions from both existing and new diesel engines, while recognizing the inherent benefits of diesel technology.

Diesel power systems -- that is the engines, the fuels, and the after-treatment systems -- that are the subject of today's hearing, power our economy. They are the centerpiece of our nation's supply and distribution network. And in the age of the internet and e-commerce, diesel power systems have taken on an even more important role facilitating the greatest

economic expansion this country has ever seen. They do more work, move more goods, and help more businesses and people than ever before.

This proposal to reduction emissions and require cleaner fuels in new diesel trucks and buses starting in 2007, marks yet another milestone in the continuing improvement in diesel technology. New diesel engines powered with today's fuels emit less than one-eighth the emissions of engines built just over 12 years ago. If adopted, the proposal currently under consideration today could result in as much as a 90 percent reduction in emissions beginning in 2007, and that's on top of improvements already online for 2002 through 2004.

We support the direction of EPA's proposed rule that will result in lower diesel emissions and cleaner diesel fuel in 2007. We're especially pleased that for the first time EPA has used the systems approach in setting future fuel and engine standards, an approach that recognizes that engines and fuels are both parts of an integrated diesel power system.

A systems approach is more important than ever since for the first time engine manufacturers, companies that manufacture exhaust after-treatment equipment, and fuel refiners all have important roles

to play to achieve the significant reductions in emissions that the EPA is proposing.

Whatever the outcome of the debate over how much sulphur should be allowed in diesel fuel, I think everyone agrees that lowering sulphur content coupled with advances in diesel technology, will improve air quality. And while this hearing is focused on future reductions in air pollution, we should not lose sight of the tremendous progress that's been made in the past in New York State, in the entire Northeast, and indeed throughout the nation.

For example, in New York air quality has improved dramatically over the last 10 years, from 33 exceedances in 1988 to only 3 in 1998. That's a 76 percent reduction in the days of poor air quality. Both Rochester and Buffalo are two areas that have had the most dramatic improvements of all. Both Rochester and Buffalo had no ozone exceedances days from 1994 through 1999.

What is most encouraging is that on a national basis, overall criteria pollutant emissions have declined 34 percent from 1970 to 1997. This reduction has taken place at the same that the US population has increased 31 percent, and the economy has more than doubled in size. Over that period of

time the gross domestic product has increased 114 percent.

How does pollution decline at the same time that we've seen massive increases in manufacturing, construction, transportation, agriculture, and all the other activities that constitute economic growth?

The answer is that these activities have become cleaner at the same time that Americans have demanded more of them. We see the future of diesel power systems in both these trends. Diesel power systems have become much cleaner, and through continuous improvement, they will become cleaner still. And as diesel technology becomes cleaner, it will continue to do more work, powering more trucks to deliver more goods than ever before.

Diesel power systems are an essential part of the quality of life that we enjoy today, providing the most efficient, economical and reliable power for whatever the need. It is technology that is defined by innovation and continuous improvement, meeting the ever increasing needs of the consumer whatever the application and whatever the need.

Make no mistake about it, this proposal represents a significant challenge for engine manufacturers, exhaust treatment suppliers, and fuel

refiners that are the members of the Diesel Technology Forum. But we are confident that together we can build on our past progress and produce the cleanest, most economical, reliable diesel power systems ever.

While this proposal deals with new technology going forward, there are many opportunities to address some important issues in the existing fleet.

We congratulate Governor Pataki and others here in New York, who were involved recently in developing a comprehensive program to inspect and repair diesel trucks and buses found to be emitting excessive smoke. When properly maintained, diesel engines do not smoke. And frankly, we wonder why only 13 states have such inspection programs today.

The Northeastern states have been leaders in the development of these programs, and we challenge other states around the country to consider the adoption of smoke testing programs. We have the tools and the resources available to assist that effort.

This March, the EPA issued a challenge to retrofit 10,000 engines in the next two years. The Forum is pleased to be working alongside the EPA in that effort. We're bringing together resources to identify engines of all types in a wide variety of applications to determine the feasibility of lowering

emissions by adding exhaust after-treatment systems, modifying engine emissions controls and/or using cleaner diesel fuel. We are encouraged by the possibilities for success with this program, which will include engines in a full range of applications from marine vessels to highway trucks.

In conclusion, members of the Diesel Technology Forum support EPA's systems approach to reducing emissions from diesel engines by enhancing fuel quality.

Members of the Diesel Technology Forum, while not taking a position on specific fuel sulfur levels or other issues under debate today, support the EPA's decision to take a systems approach to reducing diesel emissions. However the specifics of this debate are resolved, diesel power systems are poised to deliver even more the efficient, reliable, and economical power demanded by the American people.

As leaders in technology and innovation, members of the Forum are committed to working with the EPA, with state governments, and with other interested parties to continue future improvements in diesel emissions, and to take meaningful steps now to address concerns in the existing fleet. Thank you, and I would be happy to answer any questions.

MR. RALPH BOMBADIERE: Thank you for giving me the opportunity to testify of EPA's proposed rule to reduce highway sulfur in diesel to 15 ppm beginning in 2006. I am Ralph Bombadiere, the Executive Director of the New York State Association of Service Stations & Repair shops.

I am here today representing a membership that is struggling in a highly competitive and volatile market. We are on the frontline, so to speak, when our customers pull into our stations and face ever higher fuel prices brought about by the impact of global market forces and environmental regulations.

Of course, our customers don't understand pump prices in those terms, which makes it all the more difficult for us on the street. However, my members are aware of these influences on price as part and parcel of their business. Daily they confront the very real impact that governmental regulations have on their livelihood.

That is why I join in today with the opposition of other with other stakeholders relative to the costly impact this reduced sulfur proposal will have on my members.

To begin with, from my very practical experience, consumers are only willing to go so far to

absorb higher fuel costs for environmental benefits. I know what's popularly accepted -- that the Americans are willing to pay more for clean air. But that's not the reality. Otherwise, why is there such sensitivity to even the most modest price increases at the pump? I can predict that if this proposal goes through and it affects supplies and increased costs upward of from 4 cents a gallon to 13 cents a gallon, as the analysts estimate, we will all hear -- not just from the dealer on the street -- the outrage loud and clear. It will make the truckers' protests from the past winter look like a tea party.

As I understand it from other industry experts, under this 15 ppm proposal, diesel manufacturing costs would increase about 12 cents per gallon. These costs don't even include higher costs for distribution since moving the ultra-low sulfur through the pipeline with other products is problematic. You have to ensure that the low sulphur fuel doesn't become contaminated. Furthermore, if the low sulfur requirements requirement are phased-in, it would require suppliers, distributors, and retailers to segregate two different diesel fuels. My members will then obviously have to decide, under a phase-in, which diesel fuel to sell since most would not have the

ability to add another diesel tank. From a broader view, we already know that storage capacity on the East Coast is minimal. So, how the major distributors would add capacity is a mystery to me.

Obviously, cleaner air comes at a price and we realize this. To a certain extent, I suppose the customer does, too. However, I am told that the stringent proposal of 15 ppm will reap only a very minor clean air benefit in contrast to the industry's 50 ppm proposal, which yields a 90 percent reduction in sulfur levels. The industry proposal, it is estimated, would increase the per gallon cost about 6 cents. Frankly, I'm not sure that that's even going to go over well with our customers, but it's certainly better than 13 cents.

Additionally, my members have serious concerns about the availability of supply of this fuel. Just the hint that supplies might be tight sounds an alarm in the market. We can see it happening right now to retail prices with the threat of the Unocal patent decision hanging over our heads. These kinds of market influences don't need much pushing to translate into higher prices. All this is to say, that while analysts on both sides of this issue predict increases of anywhere from 3 and 4 cents 13 cents a gallon to

13 cents a gallon, this proposal might have an even greater impact.

I'm a realist. I've seen it before in this business. And I don't need to go back to ancient history. In April, the DOE/EIA's short term energy outlook for the upcoming summer season (April-September) estimated average retail gasoline prices at regular grade of $1.46 per gallon. A 25 percent increase over last summer. As you know, that average has already been drastically exceeded, and the peak driving season has just got underway. So much for predictions and "outlooks."

In conclusion, let me say this: Our members and their families enjoy the benefits that pollution reductions have brought over the last 25 years, just like everyone else has. What's more, my members probably understand better than anyone what those benefits have cost. What they don't understand is why the reasonable industry proposal can't be adopted when the clean air benefits would realized would be about the same as with the agency's proposal.

We believe it's time for the agency and all other environmental regulators to consider the cost of their proposals and factor this into the decision making process before charging ahead. We would all

would like to wear a white hat. And frankly, in bearing the brunt of most of the clean air act regulations, I think our industry has the right to wear the white hat as well. We're not necessarily your adversaries in this quest for a cleaner environment, we're merely the implementers of the regulations who must juggle their obligations to comply with the law and make a living at the same time. As we see it, this proposal will just make this already difficult juggling act plain impossible. Thank you.

MS. MARTIN: Thank you very much. Now, if we could have Clark (inaudible).

MR. CLARK WITSA: (Phonetic) My name is Clark Witsa, I'm here to testify on behalf of State Senator Eric Schneiderman. His district includes the neighborhoods of Chelsea, Clinton, the Upper West Side, Washington Heights, Inwood, Riverdale, Kingsbridge and Norwood in the Bronx.

I am here today to urge the Environmental Protection Agency to adopt the strictest possible standards to reduce diesel pollution from heavy-duty vehicles. The guidelines you have proposed in May were a brave step in fighting the diesel pollution that poisons our communities. Please do not back away in your commitment to ridding our environment of harmful

diesel fumes.

Diesel emissions remain one of the most serious public health threats in the United States today. Although only 2 percent of all vehicles run on diesel, this fuel causes 27 percent of the smog-forming pollution, and 66 percent of the soot produced by all of the nation's motor vehicles. Every year, smog causes over 6 million asthma attacks and 150,000 emergency room visits. And every year, more than 40,000 die prematurely from breathing soot and fine particle pollution.

The deadliness does not stop with smog and soot. Diesel emissions contain more than 40 known hazardous air pollutants, including arsenic, benzene, and formaldehyde. Many major studies have found a link between diesel exhaust and lung cancer. One study has linked diesel exhaust to 125,000 cancer cases in the US.

Furthermore, diesel trucks and buses are speeding up the process of global warming. These large vehicles are responsible for more than 15 percent of the transportation emissions of carbon dioxide, the leading contributor of global warming.

To put a stop to this destruction of our communities, I urge the Environmental Protection Agency

to mandate a 90 percent clean-up of emissions by 2007. In order to do that, sulphur in diesel fuel must be cut by no less than 97 percent. There can be no middle ground on diesel fuel.

I also urge you to get rid of the phase-in period for the new standards, which will not take effect for seven years. That's plenty of time for engine manufacturers to make the change in technology.

Finally, we must begin investing in new technology to develop alternatives to diesel that can serve the same role without harming the environment and our health.

I thank you very much for letting me testify. If you have any questions, please direct them to me as so appropriate.

MS. ELECTRA BROWN: Thank you for the chance to speak here today. My name is Electra Brown of the West Houston Street Block Association, downtown Manhattan. We have a particular problem on West Houston involving a federal law passed in 1986, which senator Tom Duane has referred to, of a one-way westbound toll on the Verrazano Bridge. This has had the unfortunate and dangerous effect of encouraging large truck traffic to find other means of getting across New York City when headed westbound to avoid a

double toll. This adds to traffic from Brooklyn through Manhattan through the Holland Tunnel. Since this so-called "experiment," huge trucks have been plighting our streets in downtown Manhattan.

Downtown Manhattan always has diesel soot on our windowsill. You can see it, it isn't just in the air. We need more testing in our air to see how seriously the toxic emissions are affecting the air downtown. (Inaudible.)

To fully clean up smog, we urge you to increase the use of diesel alternatives. And we also urge you to ensure that big trucks are meeting emissions standards on the roads, not just during the engine tests. These measures (inaudible) of my neighborhood, as well as environmental and public health. Thank you.

MS. MARTIN: Thank you very much. And finally we have Ms. Roth.

MS. DEBBIE ROTH: Thank you for giving me the opportunity to present testimony today on behalf of State Assemblymember Deborah Glick, 66th District, New York County, which falls in lower Manhattan which you've already heard quite a bit about.

I'm here today to applaud you for your proposal to eliminate sulfur from diesel fuel and to

set tougher emission standards for big trucks and buses.

Manhattan has the highest level of particulate matter emissions in the eastern half of the country, and over half of these emissions come from diesels. We are well aware of the harmful impacts that this pollution has on our health and the environment. Cancer, heart disease, and asthma. New York City has the unfortunate distinction to boast one of the highest rates of asthma in the country. As asthma levels continue to rise, especially in communities where diesel depots are located, we must act with the great urgency to reduce the emissions of these heavy-duty trucks and buses.

A year ago, I stood before the Metropolitan Transportation Authority asking them to fulfill their commitment to convert their diesel bus fleet to cleaner fuel vehicles. I introduced state legislation that would oblige the MTA to promulgate a plan to phase out diesel buses. As we at the state level continue to seek out ways to clean our air it is vital that you adopt the toughest possible national standards.

Running through this district is one of the busiest thoroughfares in the New York Metropolitan area, which to no one's surprise is also an air quality

non-attainment zone. The corridor to the Holland Tunnel serves vehicles traveling inter-borough and state-to-state. Heavy-duty trucks and buses sit idling on our streets, all the while spewing diesel exhaust into our air. Efforts to clean up the state's public transportation system will only bring about a fraction of the relief that we need in hot spots such as this. We need a commitment at the national level to eliminate soot and smog pollution, letting clean air be what sets the standard and evidence that compliance is ongoing. Enforcements of these federal standards must be backed by the threat of financial sanction for those states that are non-compliant.

As I understand it, your proposal will clean up diesel fuel and curb diesel exhaust emissions. I want to express strong support for even more stringent emission standards, resulting in particulate matter and oxides of nitrogen emission levels that are 90 percent and 95 percent below current standard levels. And to that end, I support a national sulphur cap of no more than 15 parts per million for our diesel fuel supply.

Any effort to weaken this proposal is an attempt to sacrifice our public health solely for the protection and gain of the oil industry. I urge you to put public health first. Let's reduce diesel emissions

from big trucks and buses by 2007 -- no extended time lines -- no excuses. Once implemented, this proposal will be a victory for our health and the environmental quality of this state and of the country. Thank you.

MS. MARTIN: Great, thank you very much. We would like to ask for the next panel. Thank you for coming and being patient. We will start with you, please.

MR. CURTIS SEYFRIED: Thank you. My name is Curtis Seyfried, I am Project Manager for Nos Quedamos, which is a community development corporation in the South Bronx.

Our neighborhood is situated between a triangle of three of the major interstates or parkways. In the Bronx, you have the Bruckner Expressway on your east, you have the Major Deegan on the west, and the Cross Bronx Expressway to the north. It's also next to Hunts Point, which is the home of 24 waste transfer stations which get garbage trucks going in and out on a constant basis all day.

We're also in the same neighborhood where the AMR, American Marine Railway, wanted to place another transfer station. This would be supposedly taking waste out by rail, unfortunately Harlem River yards (inaudible) to take out the trash that they want, so

most likely if this had (inaudible) it would have ended up going out by truck, now that's shot down. We find out that the deregulation of the power infrastructure, that there is a power company who wants to put a power plant there, in fact, DEC (inaudible) all in communities of color.

I don't really want to quote figures and things like that, what I want to talk about in particular is what we're really here for today, because what we're really here about is the children. I grew up as a teenager in the sixties and the EPA was put together in the early seventies, after passage by Congress of the Clean Air Act and the Clean Water Act because of atrocious things like the burning of the Ohio River. I don't know if you around when the rivers in the United States used to catch on fire they were so polluted. That was what the industry did.

What the EPA was put together for was to protect the public from a polluting and dangerous industry, and this has not changed. Industry still pollutes. They do anything they can.

The oil industry has been here all day, you've heard from many different refineries. And if you walk down the hall, you see what they do with some of those profits. They have a nice fancy luncheon down

there with mescaline salad and fancy forks and the plates and spoons and cloth napkins, all to lure you into doing what they want. All to make you believe that the $11 billion dollars in profits that they make isn't enough money. It isn't enough money to protect the citizens of this country from their pollution. Their taking 1 or 2 percent of that money away to take sulphur out of fuel is too much to ask out of their $11 billion in profits. And I think that's absurd. In fact, I think it's more than absurd, I think it's criminal.

I would like to paraphrase something and it won't be exactly, because I don't remember the words exactly as they are written. But there is a document that was written about 200 years ago in the formation of this country, and part of it is that:

We the people of the United States America do hold that all people -- I changed the word "men" to "people" all of us, men, women, white, all people -- are created equal and endowed with the basic rights of life -- and I stress that most importantly-- liberty, and the pursuit of happiness.

I have heard refiners talk about how they might be put out of business. Well, I've had a business, I got put out of business. But I'm still

here, I'm alive, I can walk around. I can create another business, I can get another job. I'm not dead. I'm not buried six feet underground, dead forever, permanently. We don't have some business where you die. When a child or an adult dies of asthma in the hospital, that's it. They don't get another chance.

And in actuality, if you look at a lot of the statistics in hospitals, the deaths are not even attributed to asthma -- they are attributed to cardiac arrest, because that's what happens. That's the end result. (Inaudible) has been trying to get hospitals in the South Bronx to record not just the actual cause of death as cardiac arrest, but what caused the cardiac arrest. (Inaudible) to get these statistics done accurately, so the people can really see.

You know, we walk around and you meet more people with inhalers, more people wheezing. You have people that can't exercise because they have asthma and they cannot exert themselves that much, not because they are lazy, because if they exercise they could die. They could have asthma attacks and die.

You know, sometimes I feel like I really should have brought a violin in here because listening to the oil industry whine and cry, and how much money

it will cost -- while they have a fancy lunch, while they have left 100 fancy brochures with information that they just left. They left them here. That's money, that's paper that should get recycled. But this is what the extra money goes to. It doesn't go into the hands of the retailer. He hurts a lot. He doesn't get a lot of that money, it goes to the big oil companies.

The small refiners I have sympathy for. They should get some sort of exemption or assistance. They should get a some sort of a low-interest loan system.

But when you look at the history of this country, when America wants to go to war we don't say we wish, we don't have enough time to get ready, hold this war until we get the technology ready -- we go to war. We get the technology. We put up the money. And whatever else. That's what it's all about. We find the money to fight a war.

Well, what we need is a war on smog, a war on air pollution, a war on asthma that is killing our children, killing our seniors, and killing basically everybody.

I used to live one block from the Williamsburg Bridge, and when I left my windows open and they would be filled with soot. You would wipe it

up, and in two days you would find another layer of black soot. And that's what I was breathing. I have air-conditioning now. But as someone pointed out, that is a privilege.

And what you hear in the media about how supposedly the American public is crying about the increase of gas prices -- it's not the American public that's crying out, it's the media making a scene. When the American public goes out and buys big SUV that if they were really so concerned about paying that extra price at the pump, they would be buying Honda Civics or a Honda Insight, which is a hybrid.

So I don't know if the American public is really that concerned. Compared to the rest of the world, America and Americans are privileged. Because in most of the rest of world, the price is $3-5 a gallon and they drive less and they have better mass transportation. In most parts of Europe you have real mass transit, and people can safely bicycle on the roads.

MS. OGE: Thank you very much for your testimony. I agree with you what this is all about is protecting the health of the public, and more important, to protect the children. All our children. Thank you very, very much. Ms. Vanessa Plasencia.

MS. VANESSA PLASENCIA: We are United Community Center, which is a community-based organization and we're very pleased to be here.

Our community organization promotes activism for our children, and so this is an opportunity for our children to come out and actively take a role in their future. We have a big problem with asthma. We have one of the highest rates of asthma in the city, so our (inaudible) wanted to take a role in this. And they wrote a letter to the MTA, and I think it represents basically what we want for our community so -- and we're a little nervous here -- so we'll begin with Anthony.

ANTHONY GEREZ: Hi, my name is Anthony and I would like to read a letter.

We are writing to you because of our displeasure in your plans to purchase more diesel buses and bus depots near the Brooklyn-Queens border. As young people who attended United School Center at the school which is located in East New York, we have learned that our community has the highest rate of hospitalization for asthma in the city. We have also learned that particulate or dust can trigger an increase of asthma, bronchitis, lung cancer, and a variety of other respiratory ailments. We are aware

that the MTA is assuming responsibility for it and begun to convert to compressed natural gas. We aware that almost no dust --

STEVEN: Hi, I'm Steven. We are asking that the MTA respect our community by stopping the purchase of diesel buses and not placing a diesel bus depot in our neighborhood, and converting to CNG as you are doing in Long Island. Please let our voices be heard so that we can grow up to be healthy and empowered adults. Thank you.

THE CHILDREN: I'm Anthony, age 11. Justin, age 10. Kenneth, age 10. Monique, age 11. Donna, age 11. I'm Charles, age 12. (Inaudible), age 11. Darnel, age 11. Julio, age 10. Donessa, age 11. Tristan, age 13. Devin, age 12. Steven, age 12. Steven, age 12. Julian, age 11. Johan; age 13. Jacob, age 11. Randy, age 11. Amy, age 12. Sergio, age 11.

MS. PLASENCIA: So as you can hear, we have quite a group here. And we have an environmental class and we learned about the particulate matter and how it gets deep in the lungs and can cause asthma. We're asking MTA, we're asking you, please stop these purchase of diesel buses. This is our future (Inaudible). We want them to be healthy and also to

have healthy and empowered families.

MS. OGE: Thank you, Ms. Plasencia, for bringing the children forward. And we are truly honored to have them here and testify on this important issue. Now we'd like to hear from (inaudible.)

UNIDENTIFIED: Good afternoon, my name is (inaudible), and I live in the Bronx and I attend high school in Harlem. The reason why I'm here today is to let EPA know why clean air is so important to me.

The first reason is because of my mother. My mother is asthmatic. On certain days I go to school, and while I'm sitting there in the classroom I worry sometimes that my mother might have an asthma attack and I would not be there to help her in any way, shape, or form. And that worries me a lot.

The second reason is, and I don't remember his name, a fellow came up here and he said that diesel fuel is not only linked to asthma attacks, it's also linked to other diseases such as lung cancer. And I see for myself that liking to go lay outside in the park, and then a bus, a diesel bus passing by almost 20 to 45 minutes around the clock every day. I could develop later on lung cancer. And I fear that I will not have a normal childhood. I worry that all of these things can happen so much. Things that can happen to a

child these days and age, and it's something that really worries me.

I feel that the idea of lowering sulfur in diesel fuel is a great idea and I think we should continue with that idea, try to implement it earlier instead of 2007. Try to do it as soon as possible. No waiting, because you will never know what will happen next. Things are taking turns in different ways.

It's like it's very emotional certain times to lose somebody to cancer, to lose somebody from asthma. Somebody that you love, somebody that was there for you when you were younger. Somebody who raised you, who taught you what's good and what's wrong, taught you respect and how to respect other people, how to respect yourself and others.

Worrying about all these things really gets in the way of my education and I think that it is a good plan that you're doing. It let's me concentrate more on my education and try to be what I want to be later on. Thank you for letting me speak.

MS. OGE: Thank you for coming. On behalf of the EPA panel, I want to thank all of you for taking your time from your daily activities, and especially the young children, to come and to honor us with your attendance. We will take a short recess to give the

court reporter a break.

(Recess.)

MR. FRANCE: Let's get started. Marge Oge and Dawn Martin had to leave for Chicago. My name is Chet France, and I'll be wrapping up the hearing along with Carl Simon, who has joined us.

Okay, let's start with the next panel. Arron Mair, Sarah Massey, Marina Cardona, Marie Valentine, Bill Menz, Marion Feinberg, Barbara Warren, and Leon Tulton.

MR. ARRON MAIR: Good evening, I would like to thank the EPA for hosting this hearing. My name is Arron Mair. I am Board President of Marvin Hill Environmental Justice. Our organization is in the capital, Albany, and I live in Albany, New York.

Our organization is also a member of the Northeast Environmental Justice Network, which consists of members from the state of New York, New Jersey, Connecticut, Pennsylvania, Massachusetts, Rhode Island, Vermont, New Hampshire, Maine, Maryland, Delaware, Washington, D.C., and Michigan.

Unlike the title and all of the affiliations, I want to point out first and foremost I'm a father, a taxpayer, and a homeowner. In fact, I had to leave to drive down to testify this evening.

I am typical of a lot of fathers in most inner cities who are community advocates and volunteers -- it takes a toll on the family. But in fighting and trying to seek redress, it also costs us time money and resources that are family, but also time away from family and children. In fact, I had to delay my baseball because tonight is very important.

Let me say we are fully in support of EPA's regulations and rulemaking that will reduce a highway diesel fuel sulfur.

But let me also add a little bit of perspective as a father and a family member, and also a little bit about my community. In most urban communities, they happen to be in some of the most industrial areas of a particular region. In our case, it's on the Hudson River. And equally important, it is an area that is often under-represented. When it comes to things like zoning and influence on zoning boards, they often are at a disadvantage. Our community is no different.

Our community has a disproportionate share of business. We have an inordinate number of truck stops. The highway arterials are rutted throughout our community.

Our children, in order to get to a park, for

example, two weeks ago we had an event down at the Hudson River, they had to dodge heavy traffic. It's the 787 arterial, about eight lanes of traffic, no sidewalk. It's a hazardous situation.

But equally important, it's one of the few places to recreate, albeit it's not a clean place where children recreate. My daughter a year ago had an asthma attack. My daughter is typical of a lot of children.

Albany is also kind of odd, because if you want to go north -- we have dead lakes there from the sulphur dioxide. And also the Hudson River, which is contaminated with PCB.

So our children have very few options. They happen to be near heavy industrial and truck congested areas. So whenever we have an opportunity to improve the quality of the environment for our children, we want to applaud and encourage you, because it's very important. Many of the children of the communities who use the park -- which is adjacent to a truck stop, idling diesel trucks -- often have to take bronchial dilators with them. It's a very sad state of affairs when children at a park of recreation have to take bronchial dilators or steroids. Stopping the attack is just not enough, we have to worry also about long-term

use of the medications and side effects.

And when we talk about the disproportionate impact, we also look at the fact that our children, more so than other children, have to look at a dirty environment, and we have to start to raise questions as to why.

Granted this does not by any means cure the overall inequities, but it starts to deal with them. (inaudible), if there is a cleaner fuel, if there is a cleaner (inaudible) to the fixture in that field and that, by nature, starts to reduce the particulates, then it's a good thing.

It's a given that these trucks, these diesels are right near our community. I don't want to be like, you know, as they say the proverbial (inaudible), it's thrust upon us. We have no choice, this is the community that we live in.

But also, my daughters' grandma is in the South Bronx, I can't tell you that we can't send our daughters there. In fact, six years ago my daughter had to be hospitalized. And, again, when children can't recreate, can't visit grandma, because of the high particulates due to diesel exhaust and other sources, it's a sad state of affairs.

Let me say our children, our community, is

disproportionately affected. Even so, while it is not a permanent solution, it's a step. It's a step in eliminating environmental inequity.

But it's a (inaudible) of poor public policy and poor decision making which -- basically, I want my daughter to be able to spend summer at grandma's. You know, she's going to be graduating in two years. Just think, she has choices, but hopefully, you know, something will happen when she starts to bring her children -- not right now, because obviously she'll probably be at college and thinking about starting a career -- but hopefully if she does have a child in the future, it can play with its cousins in the South Bronx.

I cannot say enough about what needs to be done to improve environmental quality. And I cannot underscore -- as you've heard earlier -- cannot underscore the benefits.

Granted they say it will cost, but let me say this: One of the things that I have been monitoring is all of the current rise in gas prices, even the government is at a loss to explain why oil prices are going through the roof. So it's a little bit more. I say that this is going to jack prices up.

I think that this is not -- I think oil is

overpriced, and I would submit (inaudible) as educated, perhaps, as the guy that runs the business down there, the real squeeze is the corporate level. You should not be pitting human health, environmental protection, my daughter's health, against the fact that the guy has to make a buck. It's not acceptable.

It's not an acceptable loss, especially when through phoney zoning practices -- and they do gerrymander -- the bus depots, the rail stops, (inaudible), and they are putting it in black people's backyard or brown people's backyard.

Thank you for your time.

MR. FRANCE: Thank you very much. The next testifiers are Sarah Massey and Marina Cardona.

MS. SARAH MASSEY: Good evening. My name is Sarah Massey, I am Communications Director of West Harlem Environmental Action.

I thank you for the opportunity to testify in favor of the new stringent emission standards.

As you have heard from our Executive Director, Peggy Shepard, and others from the environmental community, there is a direct correlation between diesel particulate pollution and health problems such as asthma and cancer.

The community we work with is the unfortunate

asthma capital of the United States, with the highest asthma hospitalization rates. My colleagues from the environmental community have already discussed the proposals for cutting diesel emissions and they've discussed the different parts of your rules.

I will not repeat their discussions, but say that we wholeheartedly support their arguments. I would like to talk about and read to you a statement prepared by (inaudible) an area resident.

She wrote: I'm a resident of Washington Heights. As a member of a volunteer organization that operates a playground and community garden, I'm very attentive to air quality. On overcast days, diesel particulates buildup and are trapped under low-lying clouds. People have to stay inside and avoid outdoor activity. Days when we New Yorkers are prisoners.

The term "diesel soot particles" is (inaudible) to me. I call it "New York grit." You can touch it. All you have to do, with the heavy bus and truck traffic, is to look under your fingers. Cross the window sill, it's covered with an accumulation of dark gritty soot. That's diesel soot particulates.

Imagine breathing that stuff all day. People who have asthma or respiratory disease are breathing in that stuff. Picture them fighting for breath, staying

home from school, losing education days, losing days from work.

I plead, I ask the EPA to move as rapidly as possible. Don't be persuaded to reduce the standards. Think of the millions of people whose lives will be better when the air quality is better. Who take strong vigorous action on behalf to reduce diesel fuel.

I think Mrs. (inaudible) clearly stated the problem of air pollution in Manhattan. She gives us a visual of dark soot, and the same soot that clogs our lungs, triggers asthma, and causes cancer.

Today we have already heard from the oil industry that the standards are too extensive. And we've heard from others who have questioned the need to implement the emissions standards.

I ask that oil industry and those distractors, those detractors from the EPA regulations, to consider the price of caring for a person while ill from asthma. And I ask how long do people have to wait for relief from diesel air pollution?

I now want to talk to you about bit my personal story. I am an urban planner and worked as a public transportation advocate. A couple of years ago I read in the New York Times on 116th Street (inaudible).

Not only was I aghast because New York City -- the place I love and call home -- could be so polluted, but also aghast, because my best friend lived in that area, on 116th Street between First and Second Avenues. I called her and I said we've got to talk about you moving. I've read about this again and again in the newspaper, and today in the New York Times (inaudible). And I said well, we're going to have to move quickly.

We were lucky I was working as an urban planner. And as someone with this experience in this area, I was able to understand what high the hospitalization rates meant, and I was able to understand what her living in that neighborhood meant.

We were also lucky because we had the means to move. I have been working in Harlem for only a few months now, and I am shocked and moved to tears when I hear the stories about people living with asthma. I feel like it's almost every person that I meet in the neighborhood has a story.

I think the EPA is making great strides forward with these regulations. And I would like to ask that you do implement these stringent diesel rules as soon as possible. Do not hesitate. Thank you.

MS. MARINA CARDONA: Hi, my name is Marina

Cardona. What I'm going say, I'm going to say in Spanish, then I will write to you and say what I want to say. (Proceeding in Spanish.)

MS. MASSEY: In summary, she's saying in 1996 she did not understand a lot about asthma, but she was very affected by it because the apartment in which she was living was located directly above a garbage compressor. And at that time, she went for assistance to West Harlem Environmental Action and began to understand more about the situation.

It's very important for her to be here today, because she's beginning to understand just how many, many people in Washington Heights are being affected by asthma.

MS. CARDONA: (In Spanish.)

MS. MASSEY: She said in upper Manhattan has six out of eight bus depots. They have over a thousand diesel buses. They spew dirt and smut into the air. That triggers asthma attacks in the area that are home to the highest asthma rates in the country.

MS. CARDONA: (In Spanish.)

MS. MASSEY: She said while the oil industry claims it's too expensive, but the small cost of cleaner fuel is much less than the enormous cost of asthma in a community. And she's petitioning the EPA

to regulate or to legislate cleaner fuel.

MS. CARDONA: Thank you.

MR. FRANCE: Thank you very much. Marie Valentine.

MS. MARIE VALENTINE: Good evening. My name is Marie Valentine, and I'm here to speak on behalf of DaimlerChrysler on the subject of EPA's proposal to modify heavy-duty vehicle emission control regulations and on-highway diesel fuel requirements.

DaimlerChrysler is a vehicle manufacturer of light-duty and heavy-duty vehicles that operate on gasoline and diesel fuels. DaimlerChrysler is a demonstrated leader in the development of environmentally sound vehicle technologies. This is evidenced by our commitment to support the pursuit of tough emission performance goals.

Reducing heavy-duty emissions will aid in achieving the nation's air quality goals, and we stand ready to do our part. This is a logical follow-up to the Tier 2 light-duty vehicle emission regulation adopted last December. We agree that EPA needs to look at you all pollution sources when determining a comprehensive emission reduction plan.

In our opinion, the combination of a low-sulfur on-highway diesel fuel program with feasible

stringent new emission standards for heavy-duty engines and vehicles will assist in improving air quality nationwide. We congratulate EPA for continuing to link vehicles and fuels, as was recently done in the Tier 2 regulations. This system approach is the only way to achieve the emission reductions envisioned.

We commend the EPA's initiative to propose a 15 ppm sulfur cap for the on-highway diesel fuel. This critical first step will enable the continued development and advancement of diesel emission control technology that is necessary if the heavy-duty industry is to meet the new proposed standards which reflect a 90 percent reduction in NOx and PM.

Sulfur is a poison that blocks the use of after-treatment technology by rendering the hardware inoperable at today's 500 ppm level. The developers of the after-treatment technologies have indicated that a very low level of sulfur in diesel fuel is critical for the future development of these devices. The lower level will permit catalyst-based control strategies to be optimized for maximum emission reduction efficiencies.

Recent data indicates that sulfur free diesel fuel is the enabling requirement for the use of NOx adsorbers, Continuously Regenerating Technology (CRT)

systems, and Selective Reduction Catalysts (SCR) due to their sensitivity to sulphur. Further information on this will be included in our written comments.

The world's engine manufacturers have defined "sulfur free" diesel fuel, as specified by the World-Wide Fuel charter, as the correct fuel to enable the use of NOx and after-treatment technologies where stringent emission standards are required. Therefore, the sulfur level in diesel fuel must be reduced to allow the use of after-treatment technology as an emission control strategy for diesel vehicles as has been so successfully done for gasoline vehicles.

Let me emphasize that the proposed sulfur cap is only the first step needed for diesel fuel. A sulfur free diesel fuel with a minimum cetane of 55 and a maximum of 15 percent aromatic limit is ultimately necessary. This fuel composition would support the use of diesel fuel in the light-duty vehicle market, and provide the benefits of reduced emissions and increased fuel economy -- another goal of the current administration, while also maintaining customer satisfaction.

A diesel powertrain is an important option for passenger vehicles. Diesel vehicles could have a significant role in the reduction of fuel consumption

by offering a 40 percent advantage over the gasoline vehicles on a per mile basis. The sophisticated diesel vehicles currently in the European market have higher endurance, reliability, and torque, which is a desirable performance attribute.

On the emission side, diesel vehicles have inherently low hydrocarbon and carbon monoxide emissions, no evaporative emissions, and have long-term stability of emissions, which will further be reduced with after-treatment, but the enabling fuel is necessary.

We applaud the initiatives by some oil companies to deliver clean diesel fuel to some localized markets in advance of the regulations. The lesson learned is that cleaner fuel can be available and is being done at an affordable price.

Should a phase-in of clean on-highway diesel fuel be found necessary, we encourage EPA to have it start in 2004. The oil industry has previously challenged EPA to make all known changes in one step, not two separate steps, so capital investment strategies can be optimized. Therefore, the 2004 suggested start date would link diesel with the gasoline sulfur control required by Tier 2, and allow light-duty clean diesel as a viable powertrain.

In conclusion, let me restate the key points of our message:

First, the EPA's proposal of reduced sulfur diesel fuel for on-highway is great first step.

Second, clean fuel packaged with feasible emission standards is the correct path to enable further reduction in emissions.

DaimlerChrysler believes that the diesel fuel, as specified in the World-Wide Fuel Charter is necessary to enable low emissions and fuel-efficient technologies.

DaimlerChrysler is continuing to review the proposal, and plans to submit written comments addressing other issues in the NPRM, and further expand on our diesel fuel position.

Thank you for the opportunity to speak to you.

MR. FRANCE: Thank you. Bill Menz.

MR. MENZ: My name is William F. Menz, Jr. I represent the Connecticut Department of Environmental Protection. Connecticut DEP congratulates EPA on the progress made in air pollution control of mobile sources, notably through the Tier 2 motor vehicle standards and low-sulfur gasoline requirements.

The Connecticut DEP strongly supports EPA's

proposal on May 17, 2000 of additional requirements for heavy-duty engines and vehicles, and highway diesel fuel sulfur control. It's a crucial additional component of the nation's and Connecticut's mobile source emission control programs. In order for the nation to receive the substantial environmental and health benefits, Connecticut DEP encourages EPA to implement the proposed rule without delay or weakening.

In particular, Connecticut DEP notes that implementation of EPA's proposed rule is projected to result in particulate matter and oxides of nitrogen emission levels that are 90 percent and 95 percent below current levels respectively.

In order to meet these more stringent standards for diesel engines, the proposal rule calls for a 97 percent reduction in the sulfur content of diesel fuel. Thus, clean diesel fuel will be available in time for implementation of the light-duty Tier 2 standards. As a result, the nation will receive immediate PM and NOx reduction benefits for both the heavy-duty fleet and diesel vehicles regulated through EPA's Tier 2 program.

Among the proposed rule's requirements, the Connecticut DEP particularly supports the fuel sulphur,

ozone precursor, and PM requirements. The standard for diesel fuel sole to consumers for use in highway vehicles caps the sulfur content of 15 parts per million, beginning June 1st, 2006. We believe this is an essential component for the proposal and stress the need for a cap of no higher than 15 ppm to take full effect nationwide by mid-2006.

The Connecticut DEP also endorses the appropriately stringent emission standards in the proposal. The written comments I have submitted spell out the proposed NOx, PM, standards, I'm not going to read that now.

Connecticut DEP recommends one change to the proposed rule when promulgated: Elimination of the four year NOx phase-in so that the proposed vehicle and NOx standards take full effect in 2007, rather than on a percent of sales basis between 2007 and 2010. Not only would the full implementation of the NOx standards in 2007 better address the general national need to counter the upward trend in heavy-duty emissions from projected increased vehicle miles traveled per year, but full NOx implementation by 2007 is especially important to Connecticut's plans to attain and maintain the National Ambient Air Quality Standards for ozone.

While the US efforts to implement new NOx

vehicle exhaust controls have been limited in the absence of low-sulfur diesel fuel availability and standards requiring NOx exhaust control on heavy-duty diesel engines, such necessary control technologies are proven effective through a history of use in other countries. For example, several European countries have made rapid progress to develop and implement such technologies, given the 2005 effective date for the Euro IV emissions standards and corresponding low-sulfur fuel requirements.

Today, the DEP stresses the importance of additional ozone precursor reductions to Connecticut, given the severe ozone NAAQS non-attainment status of the New York/New Jersey/Long air quality region, of which southwestern Connecticut is a portion. In 1999 the one-hour ozone standard was exceeded in Connecticut on 11 days, eight-hour standard on 33 days. In 2000, the one-hour standard has been exceeded on 3 days, and eight-hour standard has been exceeded on seven days so far this summer, as of June 14.

Connecticut's one-hour ozone NAAQS attainment demonstration as submitted to EPA relies on a suite of local, regional, and national emission control strategies to achieve the attainment of the one-hour ozone NAAQS by 2007. The Tier 2 requirements were

identified as an important part of the weight of evidence to demonstrate attainment.

With respect to Connecticut's State Implementation Plan, EPA has identified that additional emission reductions are required to achieve the one-hour ozone National Ambient Air Quality Standard in southwestern Connecticut. Both the vehicle and fuel standards of the proposed rule will assist Connecticut to achieve the necessary reductions to attain the one-hour ozone standards.

In addition, the NOx engine standards of the proposed rule will provide needed additional reductions essential to maintain ozone attainment in light of the expected continued growth in vehicle miles traveled up to and beyond 2007.

Thank you for the opportunity to state Connecticut's strong commendation to EPA for all of its mobile source efforts, of which the proposed requirements are a crucial addition. In conclusion, the Connecticut DEP encourages EPA to move forward with expeditious promulgation of this rule as proposed, with consideration to strengthening the NOx engine and vehicle requirements by eliminating the proposed four year phase-in. Thank you.

MR. FRANCE: Thank you very much. The next

testimony is Marian Feinberg.

MS. MARIAN FEINBERG: Thank you for this opportunity to speak to you today. My name is Marian Feinberg, I'm the Health Coordinator of the South Bronx Clean Air Coalition. And former chairperson of the Community Advisory Board Environmental (inaudible).

After World War II, the United States Congress and various state legislators, including our own, in their dubious wisdom chose to invest billions of our tax dollars in a national highway system, and dis-invested in the rail freight and public transportation.

We are today reaping the fruit of this indulgence to the petroleum and oil industry in the form of unprecedented increased pollution and an incredibly frightening rise in the level of respiratory illness in the United States and, most particularly, in many of our communities.

Nowhere is this more true than here in New York City, which is not connected to the freightway system, and therefore has tremendously increased the amount of truck traffic through our city streets and through our city road system. And it is within New York City, precisely in the most industrialized areas, all of them are low income, primarily communities of

color, communities that bear this burden of this truck traffic.

For example, of the 12 community board districts in the Bronx, (inaudible) 16 percent of the children hospitalized for asthma in New York City. This figure is astounding. One out of every six children hospitalized in New York City comes from a small area in the South Bronx.

And it is this area precisely which is the highest volume of truck traffic. (Inaudible). The high volume of truck traffic (inaudible), other more stationery air pollution sources in the community, so the people are bearing a double burden.

In the Monthaven area of the South Bronx, which has the highest asthma rate in the Bronx, for example, is where we have one of the largest concentrations of high-rise public housing in the entire United States. And these units of public houses, not coincidentally, face this whole major truck transportation hub with highways and bridges all joined together.

It's a housing that -- if you go to those buildings, you see that the color of the brick on the side that is facing the highway is a completely different color brick than the side that's facing the

city street. And if the brick has changed color, imagine what color the lungs of the people are who live in those buildings.

There are also a number of public schools which face and literally sit on those highways. A number of schools in our area in the South Bronx have a third of their students with asthma. And if you talked to principals in these schools, you will find that they are trying to grapple with, you know, an absenteeism rate due to asthma, which is really affecting the quality of education.

It's even also affecting their education funding, because the funding formula is based on the number of students present on a given day. So they are further penalized, because it lowers the funding rate to our schools, which we're in dire need of as well.

So all these effects multiply. We and you, and our environmental representatives here today, have a really unprecedented opportunity with this new rule to begin to address a situation which didn't fall from the sky, but was created by a series of political and funding decisions several decades ago which have brought us to this point.

You know, we're not talking about an infectious disease which sprang of how (inaudible),

this sprang out of human decisions and we can help it be redressed by human decisions.

We also really want to mention -- because we understand that industry representatives are talking about how much these changes are going to cost.

We can tell you by some of things that we've mentioned here today by many other stories, we can tell you, I can tell you personally, because I grew up in a household with a sibling and a parent who had asthma, and I saw the children hospitalized there, and the parents who had to stay off work, neglect their other children at home, to stay by the bedside of a hospitalized child --

But of what would it have cost the family, what does it cost in loss of work productivity of either an affected adult or adult caretaker of a sick child, of what the psychic cost is to the siblings?

A very articulate man talked about being in school, and he said some words about his mom and if he is not home to take care of her. Now this was -- you can tell by his presentation, he is an extremely intelligent boy. If that boy's attention is spent on being worried about his mom, his creative potential is being lowered by the fact that his attention is someplace else.

That's an incredible loss to him to our communities, and to the society as a whole. Not to mention the incredible cost to every single person of the rising costs of health care, and the rising percentage of health care dollars spent on illnesses which are affected by diesel emissions. And I don't want to go into the specifics of what sulfur does and whatnot, because people ahead of me have done that perfectly adequately.

I just really want to urge you to implement these new regulations as soon as possible. If they can have an accelerated phase-in, we would really like to see that. Because we're talking about a large toll on human life, on social life, on community life, and on the educational life of our nation. Thank you very much.

MR. FRANCE: Thank you. The next speaker is Barbara Warren.

MS. BARBARA WARREN: My name is Barbara Warren, (inaudible) Consumer Policy Institute, New York. We appreciate the fact that the EPA is holding a hearing in New York, given the significant air quality problems in this metropolitan area. And we hope to hear that you will be scheduling more hearings in New York in the future.

There is no question that a stringent heavy-duty diesel (inaudible), and will have an enormous impact. They applaud EPA for their efforts on the current proposal.

But while talking about the health effects of diesel and the nationwide benefits of this rule, it falls short in addressing the particular populations that will continue to be impacted: Children, persons with respiratory or cardiac disease, communities living on top of and breathing diesel exhaust, and certain entire large metropolitan areas like New York.

While EPA's rule clearly is beneficial, it fails to consider the unique situations in large metropolitan areas. When NESCAUM looked at this issue, it was very clear the extent to which New York State and the New York metropolitan area within New York State dominated the diesel contributions.

What this means is that even under the most stringent version and the earliest implementation, there will still be these inequities and unacceptable health risks. This should be addressed up front with the proper promulgation of this rule. Regulating non-road diesel engines and their fuel make a significant contribution, particularly in urban areas.

In fact, there are very good reasons to make

sure that all diesel fuel meets the sulfur limitations so there is no opportunity for high sulphur fuel; and, number two, make sure that there are regular in-use emissions testing for all diesel engines road and non-road.

We would like to mention that such in-use testing -- we're already concerned about the concept of compliance flexibility for refiners. If EPA is to provide compliance flexibility, to address the unacceptable health risks in certain large metropolitan areas we urge EPA, therefore, that if it decides to provide this flexibility, to insist that the fuel in large metropolitan areas meet the most stringent standards at the earliest date.

We believe industry changes must be balanced by sufficient health-based information about the (inaudible) and unacceptable health risks that will likely remain even after implementation, and we urge EPA to prepare that kind of information right now. Thank you very much for your attention.

MR. FRANCE: Thank you. And the last speaker, Leon Tulton.

MR. LEON TULTON: Hi, I'm Leon Tulton. I'm a research assistant at Mount Sinai School of Medicine and I'm here on behalf of Dr. Phillip (inaudible).

Unfortunately he couldn't make it today, so I'm going to read a letter on his behalf. The panel has a copy of the letter and a copy of the report.

He writes: I am writing to express my strong support for the proposed emission standards recommended by the US Environmental Protection Agency. As a pediatrician who treats children with asthma, I have witnessed the effects of fine particulate matter on the respiratory health of New York City children. Asthma is a major problem in our community, especially (inaudible) is the leading cause of hospital admissions and major cause (inaudible).

In a study coauthored (inaudible) last year, we examined the asthma hospitalization rate. We found communities that had the highest asthma hospitalization rate and high (inaudible). Are the most vulnerable. One reason for their great vulnerability is that children in these communities are disproportionately (inaudible) especially components of diesel exhaust. As a physician and health advocate, I proudly extend (inaudible). Sincerely, Phillip J. (inaudible) MD. Thank you very much for your time.

MR. FRANCE: Thank you very much. Next panel. If we could first start off with Dave Evans and Tanya Lena.

MR. DAVID EVANS: Thank you very much. My name is David Evans, and I'm an Associate Professor at Columbia University in the School of Public Health in the Department of Pediatrics.

I'm testifying here today in support of the proposed rule for both personal and professional reasons.

My job is developing health education programs for kids with asthma. My open air (inaudible) program that is used now in many schools, and (inaudible) how to take care of asthma.

There are many things that can I tell them to do about taking medicines and modifying the environment, but one of my biggest frustrations -- and when air pollution is a major contributor -- it's not that easy to do something about that.

I think this is going to make a huge difference for people with asthma. The cap of 15 parts per million and reducing nitrous oxide by 95 percent and particulates by 90 percent will have a major health benefit. And I think it's very important to implement this rule early, because further delay is really going to prolong the effect of diesel emissions.

The added costs to truck manufacturers seem to be small. Estimates I've read are around

1 percent. And although the added cost on fuel are slightly larger, I think they're well worth the benefits in health.

It seems to me it's (inaudible). It's kind of difficult sometimes to estimate the exact cost of the health benefits due to something like this. Just as it's difficult to estimate how much less (inaudible) people who have to pay in repainting their homes.

There are many subtle health benefits, but health ones are not so subtle and they are very important to measure. I think the direct costs for asthma care now are about $12 million a year, and they don't cover many of the indirect losses such as in terms of loss of productivity.

I think taking these (inaudible) is of great importance, because diesel emissions, such as nitrogen oxide and particles that are harmful to the lungs, particularly of the elderly. These pollutants reduce lung function. Your airways actually contract and make it more difficult to breathe.

In addition, as the next speaker is going to tell you, we now have evidence that inhaled diesel emissions (inaudible). They interact inside the lung in various biological processes, which make the allergies worse. Which is bad news for the 10 percent

of those who have asthma. And also for the 25 percent of the population who have allergies and are allergic (inaudible).

Children are at particular risk. And children run around more, they breathe faster, they are more active physically. So they are actually inhaling more because their bodies need more oxygen. So I think it's really important that we take this step towards securing good health for their sake as well as our own. Thank you for the opportunity to testify.

MS. TANYA LENA: My name is Tanya Lena, I'm a graduate student at the Columbia School of Public Health. My research is currently on community exposure to particulates, and also the mechanisms of diesel toxicity.

We have noticed that in New York City in communities with high asthma rates (inaudible) to diesel particulates. And in pilot studies done at the Columbia School of Public Health, there is a strong correlation between regional traffic densities and asthma. Elemental carbon is a very specific marker for diesel exhaust particulate exposure.

Even more important, we have shown in Harlem and in the South Bronx (inaudible) are significantly higher than EPA published for averages for urban areas

across the US. So that (inaudible) communities to the diesel particulates and they also have serious respiratory problems.

The physical and chemical properties of diesel exhaust particulates have been well studied. It's particularly important (inaudible) most of these have a diameter of less than 2.5 (inaudible). In addition, these diesel particulates (inaudible) allergens that are in the environment, such as dust. We sent you the studies.

Epidemiological studies completed in Europe suggest also that diesel emissions from trucks are associated in particular with asthma and allergies. (inaudible) found that children who (inaudible) constant outside their homes were two times (inaudible) residential exposure.

These results confirm of a number of studies in the Netherlands the study of (inaudible) and lung function in children age 7 to 12. The studies are (inaudible) associated with truck traffic and with automobiles, and were associated with (inaudible).

More important, mechanistic research is now providing us with some explanations with how diesel may be associated with (inaudible). For instance, DS Sanchez, et al, working in Los Angeles has shown that

when healthy volunteers are (inaudible) that they're producing extremely elevated levels of IGE, which is an immunoglobulin which is indicated (inaudible). So what this means is that those that are exposed in combination are having dramatically enhanced (inaudible).

These findings are of concern for US inner city residents, precisely the combination. And there are in vitro studies that have been done. For instance, (inaudible) found that pH in diesel exhaust particulates (inaudible).

In conclusion, there is a growing body of evidence both epidemiologic and mechanistic (inaudible) may be playing a role in the present (inaudible) of asthma.

So to paraphrase, the scientific evidence is in now which supports the testimony you have been hearing from the residents throughout the day. And it's certain that the regulations would help reduce the asthma prevalence.

For these reasons, we urge the EPA to hold fast to the target of 97 percent reduction; furthermore, we urge speedy implementation and proper enforcement of the regulations.

I would just like to conclude with a personal

experience. When I was doing some of these exposure studies, I developed a wheeze and bronchial constriction. And I had never had asthma symptoms before, and now it has gone away. So an anecdotal revelation about the exposure and the connection to the respiratory system. And I think it's a very strong link. So I think it's an ideal opportunity to act, I believe, in a preventative manner.

MR. FRANCE: Thank you very much. The next speaker is John Guinan.

MR. JOHN PAUL GUINAN: Good afternoon and thank you very much for the opportunity to testify. My name is John Paul Guinan, and I am a Staff Attorney and Clean Air Advocate for New Jersey PIRG, the New Jersey Public Interest Research Group.

I am here today to urge to you adopt the well needed emission standards for heavy-duty trucks and buses. We are certainly welcoming many of the comments, but the one thing I would like you to keep in mind is that we have an air pollution problem. I know that you have been sitting in those chairs, I want you to keep in mind that during every minute you've been in your chairs thousands of people are suffering from pollution-related illnesses in New Jersey alone.

That's why I'm here today. Each New Jersey

summer, one of every three days it is unhealthy to breath the air due to high ozone levels. This is particularly troublesome for the over 1 million people that have chronic respiratory illnesses.

Summertime in New Jersey now means that we see well over a quarter million asthma attacks, resulting in a 26 percent increase in hospital room admissions on bad air quality days. Between 1982 and 1995, the number of people in New Jersey with asthma went up 58 percent, even more astonishing is the increase of 90 percent for pediatric asthma.

It's not just asthma, as we've heard from many people before. We have studies that link diesel exhaust to cancer and other problematic diseases.

Although big trucks and buses are among the largest pollution sources, the oil industry and engine manufacturers have done little to curb this pollution. In fact, we've seen that they've cheated on their emissions tests in the past, which resulted in an extra 1.3 million tons of smog-forming pollution each year.

In order to protect the public health, we must require drastic reductions in pollution from these large trucks and buses. However, because high sulfur fuel will poison the new diesel clean-up technologies, we must ensure that all diesel fuel is fully cleaned up

and readily available before the trucks are required to clean up.

Therefore, in order to ensure that all cleaner trucks will have access to the clean fuel necessary to operate, we urge you to require diesel sulfur level with a cap of no more than 15 parts per million nationwide by 2006.

Cleaning up diesel fuel by 97 percent will allow the EPA to cut smog-forming pollution by 95 percent in 2007, and soot pollution by 90 percent by 2007. However, the EPA proposing to wait until 2010 to fully clean up smog-forming pollution from these vehicles. This means that Americans will have to wait another ten years before all new trucks are cleaned up. We'll have to have another ten years of bad air quality and another ten years of bad asthma attacks.

In addition, the EPA should take measures to ensure that big trucks are meeting the emission standards on the roads, not just during the engine tests. Specifically, both in-use and on-board diagnostic equipment should be required for all heavy-duty trucks by 2007.

Finally, we should increase the use of advanced technology vehicles such as electric buses or fuel cell trucks. The EPA should include a provision

in the heavy-duty rule that would provide incentives to introduce more of these cleaner, efficient diesel alternatives into the heavy-duty fleet.

These provisions are necessary to protect the public health. We ask that you include them in the final rulemaking. Thank you.

MR. FRANCE: Thank you. The next speaker is Omar Freilla.

MR. OMAR FREILLA: I planned on coming up here with this very scary looking white construction painter outfit and some gas masks, but unfortunately I got thrown out by the hotel staff. So imagine that I'm sitting up here with my friends in a scary looking outfit and some gas masks and some scary looking (inaudible) and some banners saying "justice now" and "people not profits," and, you know, "healthy kids, not fat cats." Things like that. So just imagine that, all right.

All right, all right, but that's okay, because I think that the fact that I will be repeating what everyone has already said means that everyone else pretty much seems to be in accord. So let common sense decide what regulation is going to be drafted.

My name is Omar Freilla, and I am with the New York City Environmental Justice Alliance. And am

speaking on behalf of the Environmental Justice Alliance. (inaudible) I am urging you today to adopt the toughest and strongest standards on diesel that you can possibly imagine, that you can possibly put to the (inaudible).

We have already heard from millions of people who have come out here today that diesel is a threat to our health. People have testified that it causes asthma, is a trigger for asthma attacks. The World Health Organization has acknowledged, the American Lung Association has acknowledged, the Environmental Protection Agency has acknowledged in the past, and it seems like a million and one studies.

Over 30 studies (inaudible) diesel exhaust is actually a carcinogen and can induce cancer. It's also been linked to heart disease, and there are many other studies that show numerous other effects of diesel fuel.

So in my opinion (inaudible) we already know -- we already know, that diesel fuel, diesel exhaust, particulates, all of these, all of these items lead to reduced health. It reduces your life-span, increases mortality, and just makes life a -- life bad to live at times.

In our communities, in low income communities

and in communities of color, already we feel the effect stronger. It's in our communities where you see communities of people who are exposed to the greater amount of toxins, the greater amounts of traffic.

In New York City, 80 percent of diesel of bus depots are located in communities of color as places where you have more than 50 percent of people in color. Over 80 percent of the bus depots are here. These are the places where buses drive in, buses have to go to these facilities. While the bus line may be (inaudible) they all converge on certain places. And here in New York, Northern Manhattan and Washington Heights, Harlem, six out of eight depots are here.

And other communities around the city are also innudated, but they also apply to waste transfer stations. Most of the industry facilities here in the city are in low income communities of color, and these are the places that are most vulnerable. These people are constantly innudated.

Not only do you have a situation where it's the most vulnerable people who are dealing with having a facility there that attracts traffic, attracts trucks, and attracts buses, but in many cases you've got truckers you've got (inaudible). So if there is a truck route that's only supposed to go down a street

that doesn't have any residences, and truckers taking illegal routes just because it's the quickest path, people who are (inaudible) the windows are open in the summertime -- you need to breathe.

And studies have shown that the air outside (inaudible) so there's a lot of talk about well, we need to deal with indoor air pollution (inaudible) because the air that is outside has the same number of (inaudible) you will you still find much of the same things that induce asthma attacks.

Studies have also shown, you know, we talk about a trucks's life-span. (Inaudible) the engine that is used ultimately winds up being in your delivery man's truck. So thinking that (inaudible) engine is in new tractor/trailer. So we need to think about the life-span of the vehicle and how that plays into effect.

So those are the issues, just some of the issues. We talk about who's being affected by that. Because you have communities that are bearing the brunts and have typically been ignored, and the health situation has been ignored for a long time. And it's about time, and I'm glad that something like this is happening. It's really going to impact the lives of people who have been suffering the most, and who for a

long time have been really ignored. And this is really the first time that it's the (inaudible).

Asthma isn't the only thing, but it certainly is in epidemic proportions here in New York City. We have places where we talk about differences in asthma rates. New York City has three times the national average for asthma hospitalizations. And the Bronx, as a whole, it's four times the national average. In the South Bronx, it's eight times the national average.

You start to get a feel for the neighborhoods, the places that are being affected by this. There was a study that was done just in the city and we see places with like (inaudible) times the rate of asthma hospitalization than in the places like Staten Island, where you don't have trucks barreling down your street. That's the kind of situation that we're living in.

And we know it's going to affect anyone with a lung, anyone who breathes air, their lives are going to be improved. But I would like for you to recognize that there are communities in the city and communities in the country, and in these communities the quality of life in these communities has been ignored for far too long. You get really -- we don't need to do this. You need to weight the benefits.

The oil industry is saying that they (inaudible). The American economy will not collapse versus the health and the quality of life of the children who are actually bearing the brunts of all of the diesel fumes, the people who are people affected by this.

So I'm asking you to cut the sulfur levels (inaudible). The oil industry is crying they say that they can't cut sulfur any less. And really, 7 percent or nothing, that's the minimum that is needed in order to make sure that the equipment that would be able to actually clean the fuel will not be contaminated.

The EPA should be taking measures to ensure that big trucks are meeting the specific standards. There should be in-use and on-board particulate equipment tests, so we don't have truck companies and industry manufacturers that are lying about whether or not their trucks actually meet the tests.

And we need alternatives to diesel. And I'm really asking, really put in some wording and make sure that we have some sort of standard that's before 2007. But before 2007, there needs to be some sort of push on agencies to actually push as strong as they can for cleaner engines and having alternatives to diesel. Thank you.

MR. TIMOTHY LOGAN: My name is Timothy Logan, and I'm here today representing the Organization of Waterfront Neighborhoods which is a coalition representing community groups from all five boroughs of New York City. I think it's about 25 community groups as it stands now. Most of the work that we do focuses on solid waste issues, so while I may not look like a professional athlete, I talk trash for a living.

The one thing that we've been seeing in New York City and we appreciate, is that the federal government has been doing a lot -- particularly a lot more than the state and local governments have on solid waste issues, but what we've seen is a proliferation of waste transfer stations and the movement of waste throughout New York City by diesel trucks, whether they be (inaudible) trucks, whether collecting, or whether they (inaudible) -- all trucks, when the city decided that they wanted to close down the landfill on Staten Island, rather than coming up with a plan and waiting until they could fully implement it themselves where they trucking it, they're trucking it through the regular corridors where all the other trucks move.

At the same time, EPA and DES put in new air monitors. They were switching from PM 10 to PM 2.5 monitors. A great thing. The program, you are

required to have a base line of three years. All of a sudden, you have no base line on which to pursue the regulations, because you haven't had them in place for three years. And then you go into court and find judges who were appointed by less-than-public-friendly politicians, who are basically fighting against PM 2.5 standards. So now the only monitors that we have in place have no base line, and it may not be a worthwhile standard.

All this is to say that the same communities are being impacted again, and again, and again. When they site industries, whether they be waste transfers stations, which I work on, or any other type of industry that is considered to be a bad industry that you don't want to have in your neighborhood, next door to you, where do you think that ends up?

It ends up in a low income community, or communities of color. It ends up in communities like South Jamaica, communities like Sunset Park, Williamsburg, Hunts Point. You have diesel stations throughout Northern Manhattan. This is a problem, and it doesn't get solved by (inaudible).

We can't wait ten years. A decade is another ten year's worth of children who are coming down with asthma and dying. And when we talk about dying, it's

not an abstract, something that nobody knows who's died from it. We have a member of our board (inaudible) died of asthma at 25. How many 25-year olds do you know who have heart failure? It's not from a natural cause, it was asthma and years of asthma medications that damaged his heart.

This is the type of thing that is not being reported on a regular basis. We now know that over 50 percent of people are being affected. Well, that means that most of these truck movements are harming more than 50 percent of the world population.

So basically it doesn't come down to when you (inaudible) have happen, or whether you live in that city or another city, and most people do, that's where people are living these days (inaudible) a large extent is based on the way the industry is set up.

And when industry says they can't afford to do that, why can they not? Clearly whenever costs are raised they pass it on to the consumer.

So what's the point in delaying and having so many more people injured and harmed? 2007 is not soon enough. Yesterday is not soon enough. That's the issue that all the people have come out here about, people are having press conferences about before 9 o'clock this morning. It's now almost 7:30. People

continue to talk and they continue to feel in their hearts and have tears well up in their eyes over what's going on, because the people who came here, the community people, whether they are below income, or whether they (inaudible) to live next door, or they get caught up somewhere along the way, they know that's what's going on. That's what this is all about.

So when we talk about putting these standards in effect and whether DaimlerChrysler is against this -- you know, she's getting a big paycheck and she's going to continue to get a big paycheck.

But how many people are no longer living on this earth because this did not go into effect as soon as possible? There is no reason why we can't put this into effect. Why don't we start phasing it in now? It takes three years, it doesn't have to wait seven years, ten years. That's what's going on. Thank you very much.

MS. MARIA BOTTINO: Let me just add a little aside that I can't see. I can't see humidity and smog. I can't wear my contacts because my eyes burn, so I have to wear my glasses and they are not quite as efficient.

Members of the Environmental Protection Agency, thank you for the opportunity to testify here

today. This hearing marks a historic step in the regulatory process of the use of diesel fuel in our country with this first public hearing in the nation.

We hope you craft legislation that will safeguard our public health, protect our national environment, and improve the quality of life for years to come.

As it is currently produced, diesel fuel contains high levels of sulphur. Diesel fuel emissions have been linked to increased rates of asthma, cancer, heart disease, and other serious diseases. The nitrogen emissions released by diesel is a major contributor to respiratory illness, particularly during the hot summer months.

We New Yorkers are all too familiar with the admonitions. This is particularly dangerous to individuals with compromised immune systems, the elderly, and children. Pollution is also a major contributing factor to low birth rate babies.

Nitrogen oxide, which produces a third of the smog along the Northeast United States, is released into the atmosphere by the fleet of diesel trucks and buses that move along our streets and thoroughfares.

The (inaudible) of our city continues to allow its major thoroughfares, such as Canal Street,

Houston Street, the lower East Side, in Chinatown, and Broadway, and even our residential streets to be choked with diesel truck traffic. While New York is a leader in finance, technology, and business, in the area of public transportation, this city has lacked behind other metropolitan areas in converting to clean burning fuel. It's only recently that it will be forcing its Metropolitan Transportation Authority to replace aging buses with cleaner burning fuel buses.

As the Congressmember representing the lower East Side, Chinatown, Williamsburg, and other low income communities, I represent these communities. These communities have historically been the dumping grounds for waste transfer stations, electrical power plants, industry plants, bus depots, and even oil spills. We say enough is enough.

Communities of color, particularly African/American and Latinos, have among the highest asthma rates in the city of New York. (Inaudible) found that Latino communities in particular are more susceptible to respiratory ailments than others. And Dr. Gene Ford of Harlem Hospital is conducting research to determine whether Puerto Ricans suffer more severe effects of asthma than other Latino communities.

On another front, (inaudible) expanded, while

building a state-of-the-art clean natural gas burner. If you read the fine print carefully, they retain the right to convert to burning diesel if the price of natural gas becomes too high, and it is they who determine how to define "high."

My office is committed to supporting efforts to have this criteria eliminated before any future plan is allowed to go online. I shortly will unveil a major policy (inaudible).

Let us sound the first bell hereby affirming that diesel fuel should be 98 percent sulfur free, diesel engines should be (inaudible) and that these regulations should be implemented immediately rather than be phased-in over three years. That all New York City buses and trucks should utilize the cleanest available fuel. That all New York City power plants should utilize the cleanest available fuel.

If we agree on these basic principles, we can move forward on this critical piece. With this, we will have the basis of a more intelligent environment. Thank you very, very much.

MR. ROCKY CHIN: My name is Rocky Chin. I'm a civil rights attorney, but I'm testifying today as (inaudible) and also a resident of the lower East Side. I live in a six building (inaudible), which

overlooks the FDR Drive and I work in an agency, a civil rights agency on the West Side, which overlooks the West Side Highway.

During the time that I'm not working or staying at home, I hang around in the area between which is Chinatown and the lower East Side. So you could say that I spend a lot of time around traffic, around trucks, around a lot of idling.

And I wanted to -- I know a lot of people have talked about different parts of the city, but I wanted to underscore how this part of the city has gotten increasingly congested. Part of this is because lower Manhattan squeezes everything together, so the streets are narrower and the streets are used for cross transit. And Canal Street is increasingly utilized for truck traffic.

This is a very diverse community. A lot of businesses, a lot of -- Fulton Fish Market which, as you know, if you go into that area in the nighttime, has trucks idling all through the night. And on the West Side you have, of course as people already testified, an incredible amount of traffic. So you have idling, idling, a lot of traffic, a lot of trucks.

Now I'm testify here as someone who has

generally dealt with civil rights issues, race issues, issues of discrimination, and I would like to just give you an anecdote about something that I have experienced myself that I thought was maybe appropriate for this hearing.

A couple of years ago I had a chance to testify and to speak in Japan, and the subject was human rights in the corporate culture. And I remember how I was supposed to speak about human rights in the corporate culture in Japan and while I was arriving in the airplane, I happened to run into a bunch of environmental activists as they were attending the Kyoto Conference on Global Warming.

And it made me think, after speaking with a number of these activists, how the issues that we address are connected. And that we really need to see the inter-connectedness, not only about how a lot of the communities that we grew up in have been impacted, but also how we, as a society, benefit from cleaner air, better race relations, all these things really make for a better society.

So here we have a lot of problems, because most of the people testifying, I would say probably 90 percent, are for very strong regulations. But the challenge is really quite dramatic, because a small

percentage is opposed to this, and they wield quite a lot of power through the channels that they use.

So I think I want to underscore applaud for EPA taking very strong measures, but I want to end with one of the problems that we have in our community is trying to figure out what is the incidence of asthma and so forth. A number of people have testified about studies, I just want to talk about the Chinese, which is a large community in the United States.

The Chinese community does not have a lot of health clinics and so forth. (Inaudible) and there aren't really a lot of studies done, but anecdotal information is quite available.

For example, a number of people in the community have said that particularly the children who to go school, for example, at Intermediate School 131, this is the largest intermediate school predominately Chinese, immigrant kids have problems with respiratory problems, but these haven't necessarily been linked to trucks. But 131 sits at the entrance of Manhattan Bridge, one of the major areas where trucks are coming in and spewing pollution every day. And Canal Street, as has been said before, has an incredible amount of traffic, and yet we don't really know what the monitors are producing. I don't know. I know there are state

and city and federal (inaudible) and I think there needs to be a lot more study as to what's happening along these corridors, and specifically linking it up to studies of the incidence of asthma and other kinds of respiratory illness.

The (inaudible) is finishing an audit of their own cases, it will be completed at the end of year. It's high time that we connected with what the EPA is doing. Our communities do not have enough health resources so that we can research these problems.

I want to thank you. I happened to have had asthma -- some say you never get rid of it. I happened to live in Los Angeles, and I thanked God when I came here, there's no smog. Little did I realize that I was going into the one of the most polluted urban areas of the country. Thank you very much.

MR. FRANCE: Thank you. Next is Ian Taylor.

MR. IAN TAYLOR: My name is Ian Taylor, and I'm a policy analyst for the Clean Air Council founded in 1967. The Clean Air Council is a Pennsylvania-based nonprofit member organization working through a combination of public education, community advocacy, and oversight of government enforcement of environmental laws to ensure that we can

all live in a healthy environment with clean air.

The Clean Air Council has offices in Philadelphia and Harrisburg, Pennsylvania and Wilmington, Delaware. The Council is perhaps best known for its willingness to sue the Environmental Protection Agency when they do not properly implement the Clean Air Act.

Thank you for allowing me to testify today on this important issue. On behalf of the Clean Air Council, I urge you to adopt these proposed rulemakings. The quality of America's air is a serious environmental health issue. Emissions from diesel engines continue to pollute the air and endanger the health of many Americans.

Philadelphia has the fourth worst air quality in the nation. According to a recent report by the EPA, the air in Philadelphia County exceeded the federal safety level for cancer by 297 times. Small steps have been taken to reduce the level of particulate matter throughout the greater Philadelphia area. Unfortunately, even low concentrations of PM adversely affect human health. A recent study estimated that 2,599 premature deaths are caused by soot particles in Philadelphia annually.

Although the nation as a whole is affected by

diesel engine emissions, large cities, in particular, are continuing to experience dangerous levels of air pollution. Throughout the country, too many Americans are being forced to breathe high concentrations of harmful particulates each and every day.

Less than 2 percent of all vehicles on the road today use diesel fuel. Nevertheless, these vehicles manage to emit more than 50 percent or more of the dangerous soot particles in urban areas, and nearly one-third of all smog-forming nitrogen oxide emissions. Soot particles are extremely dangerous and contain more than 40 hazardous pollutants, including many potential or probable carcinogens. Nitrous oxide reacts with volatile organic compounds in the presence of sunlight to create ground level ozone or smog. Smog exacerbates asthma and other respiratory diseases exacerbates asthma.

PM and NOx cause serious public health concerns and contribute to soot and smog pollution that is associated with what I've heard today 40,000 deaths every year, as well as millions of cases of respiratory problems each year.

Diesel emissions are also responsible for some 400,000 asthma attacks nationally every year. While air pollution may have more of a long-term health

effect to otherwise healthy adults, to vulnerable individuals such as children, the elderly, and those with chronic respiratory and cardiovascular problems, it can be deadly.

These groups remain disproportionately susceptible to air pollution, and are the first to feel the effects of diesel emissions. Without adequate regulation, diesel engines will continue to adversely affect the environment, increase the number of cases and heart and lung disease, aggravate asthma, and cause additional public health problems.

Epidemiologists in approximately 70 cities around the world have consistently found that more people die and are hospitalized during periods when particulate pollution levels rise even a moderate amount. Rarely has such a clear pattern emerged in epidemiology, and most environmental health experts are now convinced that it is not a coincidence.

Despite this overwhelming evidence, opponents of the proposed rulemaking have still managed to find fault with the results of epidemiological studies that link particulate matter with adverse health effects. One of the main industry criticisms has been that confounding factors such as temperature, weather, seasonal factors, or co-occurring pollutants could be

all contributing to the observed health effects associated with particulate matter. Currently, a number of carefully designed studies have been able to single out many such factors giving credence to the fact that PM itself is directly responsible for some of the health effects.

Recent examinations have been done using clinical and toxicological studies with personalized exposure to PM to correlate these epidemiological results. Several of these studies were done by examining hospital patients and nursing home residents, deriving data on the actual effects of human exposures to particulate matter; something which had previously been unavailable. The latest results from these correlating personalized studies not only conclude that PM is a major contributing factor, but also suggests some reasons why PM causes adverse health effects.

For example in the past year, about a dozen major scientific studies have turned up heart pattern changes in animals and elderly people. One study indicated that the tiny particles of PM seem to alter the normal pulsing of the human heart, and that even the air pollution levels commonly found daily in Philadelphia and other cities across the country are enough to disrupt the body's ability to regulate the

pumping of blood. Rising particulate counts on a given day are enough to disrupt the beat-to-beat variations that are designed to meet the demands of regular activities ranging from sleep to exercise.

This threat is of particular concern to the elderly, those suffering with arrythmia, and those with heart conditions, and lung disease or asthma. Experts have estimated that particulate pollution may account for 1 percent of heart disease fatalities in the United States, amounting to about 10,000 deaths a year.

The Clean Air Council calls on the Environmental Protection Agency to adopt the proposed heavy-duty diesel engine and vehicle standards as expeditiously as possible. Adopt highway diesel fuel sulfur control requirements as expeditiously as possible to prevent the poisoning of emission control equipment in trucks and buses. And also to require the retrofit of older vehicles with diesel engines to meet modern emission standards.

Many environmentalists have come here today to praise EPA's proposal, but the Council comes here today to say: What took you so long?

A recent poll determined that roughly nine out of ten Americans believe that big diesel trucks and buses should be required to use the best available

pollution control technology.

Despite all of this information and knowledge, diesel manufacturers and fuel providers and the federal government have continued to ignore the problem. Current diesel engine and fuel standards remain insufficient and outdated. Although heavy trucks and buses are among the nation's largest pollution sources, the oil industry and engine manufacturers have done remarkable little to reduce the pollution from these sources. In addition, federal standards are currently so weak that most diesel engines are not even required to install readily available pollution controls.

The Clean Air Act mandates that the EPA set national ambient air quality standards that will protect public health. There is no doubt that present diesel engine emissions do not reflect this goal. In order to protect and improve public health, the EPA must take the initiative to establish comprehensive reductions in pollution from vehicles with diesel engines.

The EPA's proposed rulemakings are a step in the right direction, and should be approved. The proposed rulemakings, however, should be improved. Reducing sulfur in diesel fuel by 97 percent will cut

smog-forming pollution by 95 percent in 2007 and soot pollution by 90 percent by 2007. Unfortunately, the proposed rulemakings delay implementation of these needed air quality improvements far too long.

There is no reason why the EPA cannot shorten the compliance schedule for vehicles containing diesel engines. The standards proposed by the proposed rulemakings may be stringent enough, but the EPA has chosen unnecessarily to delay their implementation.

Moreover, because the proposed standards to not take effect for a number of years, Clean Air Council would like to request an additional requirement to the proposed regulation. By the year 2008, two years after almost all the sulfur has been removed from diesel fuel, the Council suggests all heavy-duty trucks and buses 15 years old and less, must comply with the new standards or retrofit with a new converter that would sufficiently reduce their harmful emissions to appropriate standards.

Opponents of the EPA's proposal cite increasing costs and a lack of feasible alternatives as obstacles to the implementation of EPA's proposed regulation. In reality, there are a number of options available today that could significantly reduce emission from diesel engines. Natural gas, for

instance, is an effective replacement for diesel fuel and appears to be cost effective and environmentally sound.

Although an extensive cost study has not yet been completed, the Council, along with other environmental groups, believes that regulation will affect the price of diesel only minimally. Furthermore, the benefits of clean air and improved health would certainly exceed a small increase in costs.

If EPA does not move expeditiously with these proposed rulemakings, the quality of public health continues to get worse. Sales of diesel engines are rapidly increasing. Approximately 1 million new diesel engines are put to work in the US every year. Unless EPA is willing to aggressively implement the proposed national low sulfur and diesel engine regulations, diesel emissions will continue to have a significant affect on public health.

Clean Air Council believes that diesel fuel vehicles should have the same, or equivalent, strict emission standards as gasoline vehicles. Every vehicle designed should be forced to meet the same pollution control standards, regardless of the chosen fuel, vehicle weight, or engine type.

Air pollution is a dangerous and serious threat to all Americans. Congress intended that the Clean Air Act Amendments of 1990 would force technological advances in pollution control. Current diesel engine and sulfur in fuel regulations are far too lenient on diesel vehicles and fuels and remain unacceptable. It is time for the federal government to understand this growing health threat and deal with it. These proposed regulations are a step in the right direction.

EPA's proposed action is good news for everyone who wants to breathe healthier air, especially children, seniors, and people with existing respiratory problems. This proposal will ensure that they get it.

Thank you very much for the time and consideration, and the opportunity to comment on this crucial public matter.

MR. FRANCE: Thank you very much and we really appreciate you sticking it with out us.

Right now the last panel -- unless there are other folks -- James Cimino, Lisa Schreibman and Nancy Gibbs.

Is there anyone else in the audience that I have not called that wants to testify? Okay, so the first testifier is James Cimino.

MR. JAMES CIMINO: I Will submit a more extended form of testimony later on, this will just be very brief. (inaudible). It's quite late in the day and I know we've heard from a variety of interests who have spoken in favor of your proposal. As I've sat here, it's become obvious that the oil industry have no (inaudible). Diesel fumes are bad for our hearts and lungs. These are facts you have heard today several, dozens of times in many different ways.

You have also heard (inaudible) assert that the industry dominates the nation's economic (inaudible). When you look at nearly $12 billion profit of industry just in the first quarter, (inaudible) ill or die from diesel related lung disease or other illnesses (inaudible).

I would like to applaud EPA for this proposal, but I would like to see a shorter phase-in (inaudible). These proposed rules are a dinosaur step in the right direction.

There is no reason to delay. American ingenuity has brought us progress faster and more efficiently during the past 30 years than we realized could be possible.

This need is underscored by every child who misses school struggling to breathe, reeling from the

dirty air produced when buses and delivery truck roll by. The technology industry-wide is not even that (inaudible) it flies in the face of our technological spirit. So vehemently they resisted for all their dire predictions, they are enjoying record profits. Instead of embracing modern technology, the oil industry is in Stone Age. That is why this proposal is so important for making use of the technology that will be good for our health and the environment.

On a personal level, as an asthmatic, I cannot wait until I can go running without having to stop between 50 and 100 yards. Thank you.

MR. FRANCE: Thank you. The next testifier is Tim Barner.

MR. TIM BARNER: I thank you for the opportunity to speak today. My name is Tim Barner, I live in Washington, D.C. and I work for 20/20 Vision. But I'm speaking today in my personal capacity, because my boss is going to speak in Atlanta.

When I came to New York, I think it was the former chair earlier in the day who said you were glad to get outside of Washington. I came here in part (inaudible) and have citizen input, so I'm glad to be here with you in New York today.

Most of my adult (inaudible). I'm looking

forward to giving up those techniques of learning to run fast when you see a bus, while you try to keep the black plume away from your head, or frantically rolling up your window. When you live here, you just consider that one of the facts of life. It's obnoxious, but you have to learn to deal with it.

The education I've gone through in the last month working for 20/20 is knowing that while it is obnoxious, while it is a fact of life, it's not necessary. I've been lucky I lived in (inaudible) and I've been able to move. But in a way, you do feel trapped. When I live my life in a certain (inaudible) and I realize that there are some options that are doing damage.

But the (inaudible) for me is for my kids and grandchildren as well. I want to add my weight of a single voice that with many other people, including those thousands of (inaudible) is that it's the kids who count. I have lived most of my life (inaudible) and I don't want my children to either go without the knowledge (inaudible). And when I say "the knowledge" of something happening negative to them.

I want them to know they (inaudible) the political impact earlier in life then perhaps I have, because of the knowledge about what diesel fuel

emissions mean, and the new technology and what the technology can now mean.

I have a two-year old grandson who has Down's Syndrome. He's been in the hospital several times with breathing difficulties. Enough has already been (inaudible) the contribution of diesel engines to polluted air. (Inaudible).

I'm disappointed to learn that EPA has delayed waiting to 2010 fully clean-up pollution trucks and buses.

I have a son who teaches chess here in New York. I wonder how many days or years (inaudible) by running daily on the sidewalks of New York, and whether it's been so (inaudible).

I have another son who works for a landscape company driving trucks working with off-road diesel equipment. (inaudible) but because perhaps the government and business don't want to get together enough to control the diesel air pollution that exists on his job right now.

I would also ask you to ensure all these vehicles are meeting the emission standards on the road, and not just during the testing stage. Drivers of vans and trucks are logging more miles and driving hours in the highways and streets (inaudible) know that

his vehicle is air-conditioned (inaudible) understand recent studies show that's a pollution tunnel which (inaudible) even concentrates (inaudible), many of them being generated by trucks and buses.

Some oil and industry interests are telling you that (inaudible) is a good compromise, and I have read (inaudible) if the higher level is permitted, this kind of political compromise (inaudible) only we're being fair about (inaudible) this happens and the emission controls don't work, guess who's going to be coming right back an additional time.

I watched the dance over the last couple weeks at the (inaudible). I watched (inaudible) and a couple of other senators following up on the actions of the House (inaudible) standards for trucks -- well, cost factors, heavier vehicles will mean more safety factors -- it's these kinds of arguments that seem utterly ridiculous that seem to carry the day politically, and I urge you to maintain strong, high, and fast standards.

I personally live in Capital Hill. I'm curious as an economic stakeholder, too, what's going to happen to the central bus route once the knowledge of diesel (inaudible) get around that is jeopardizing people. And I would urge you to increase the use of

diesel alternatives in addition to cleaner diesel.

There are centers in Washington that are really working with our metropolitan transportation agencies and agencies cities in Europe and Asia for cleaner air for some years now. Isn't it time that (inaudible) globalization we have quality air that (inaudible) newer, cleaner trucks should be required to meet the emission standards. It's happening elsewhere. It's a political role as much as technologic.

Finally, it's a patriotic time of the summer. Fourth of parade season, maybe not so much in the streets of New York, but a lot of places across the country. I think of the image of kids sitting for hours watching great floats crawling by -- you got diesel engines, diesel trucks floats -- wouldn't it be nice to know that it's safe for kids to be in places where trucks, floats, parades, your own school buses are not jeopardizing their life? We must do the politically courageous thing. I think we can.

I really congratulate you on putting out this rulemaking, and hope the standards can be put on a much faster timeline that is laid out right now.

MR. FRANCE: Thank you very much, and thank you for sticking around today. The next speaker is

Jason Babbie.

MR. JASON BABBIE: Good evening. I'm Jason K. Babbie, Environmental Advocates' Air & Energy Program director. Environmental Advocates is a statewide, broad-based organization that has worked to defend New York's land, air, water, wildlife and the public's health for over thirty years.

The final outcome of this rulemaking process will affect millions of New Yorkers. So I implore you to stay strong on the emissions standards for nitrogen oxides, particulate matter and nonmethane hydrocarbons, and sulfur standards for diesel fuel. This stringent, dual system approach to clean up heavy-duty diesel vehicles is the right approach. A cleaner fuel means fewer emissions, will help us all breath a lot easier.

Diesel emissions negatively impact the environment and public health in many ways. Diesel tailpipes, which largely consist of trucks and buses, are single largest source of particulate matter at sidewalk level in Manhattan. That means millions of New Yorker are being subject to multiple known and probable human carcinogens and respiratory irritants every time diesel truck or bus drives by them. Diesel tailpipes are also a major source of nitrogen oxides, which cause ozone-smog all across the state.

Children are disproportionately affected by bad air quality. Children take in twice as much air per pound of body weight as adults. They also spend a lot more time in outside activities, partake in more rigorous activities, and are less likely to curtail their activity when experiencing difficulty breathing. Asthma is the number one chronic reason for school absenteeism, which will affect children for years to come. In essence, the emissions that cause ozone-smog are robbing children of their education and comprising their health.

In addition to children, the negative impacts of poor air quality disproportionately affect those with existing respiratory ailments; the elderly, because they often have existing respiratory problems; and those living or working near major diesel exhaust sources like bus depots.

New York is breaking records this year because of those ozone-smog. Unfortunately, they are the wrong markers to be breaking. Already this year New York has exceeded the US Environmental Protection Agency's eight-hour health based standards multiple times. Virtually every time the weather conditions were right, nitrogen oxides and volatile organic compounds combined with the heat and sunlight to form

ozone-smog. We have already had days when almost every monitor in the state exceeded the 85 parts per billion standard. This is alarming to say the least, and is yet another example of why updated and more stringent nitrogen oxides emission standards on diesel vehicles and sulfur standards on diesel fuel are necessary.

In the report "Out of Breath: Health Effects from Ozone in the Eastern United States" Abt Associates used epidemiological studies in 1997 air quality data to determine the health impacts of ozone on a county-by-county basis. The report attributed over 510,000 asthma attacks, 12,300 emergency room visits, and 4,100 hospital admissions to ozone-smog in New York State during the ozone season in 1997. What that means is that too many lives were negatively affected by ozone-smog.

New York has some of the highest asthma rates in the country. Particularly in northern Manhattan and the south Bronx, where there are a disproportionate number of diesel bus depots and truck routes, and the residents have limited access to health care. Often, residents in these communities are forced to use the emergency room to treat asthma, which is the most costly and least effective form of treatment.

The toxic chemicals that make up particulate

matter are of particular concern. According to the US EPA, the California EPA, and the National Institute of Occupational Safety and Health, diesel exhaust contains over forty known and probable human carcinogens. In fact, a number of studies show that diesel exhaust causes cancer. The chemicals in diesel exhaust also negatively affect the immune system, hormone function, and the reproductive system. They also cause disorders of the blood and blood forming tissue.

Up until recently, I lived six blocks from a bus depot in West Harlem and remember the soot that covered my windowsill, floor, and bed. I could only imagine what I was breathing, considering the smaller invisible particulates are even more dangerous than the coarse particulates. Now, I was able to buy an air filter for my room, but that was not an option for most of the other residents in my neighborhood. I should not have had to spend close to $200 to filter my air to protect my health, but at least I could. What about all the families that cannot afford the same luxury? My point is that the air should be clean enough to breath without an air filter. Hopefully these new standards will get us a great deal closer to healthy air for New York City and the nation.

It is imperative that the EPA does not back

down from the 15 parts per million sulfur standard for diesel fuel. A low sulfur level in diesel fuel is necessary for pollution control technologies to work effectively. Sulfur clogs the devices or renders them useless, which exposes more people to dirty diesel fumes.

Industry has continually forecasted their demise or outrageous cost when faced with regulations or legislation that required them to change procedure or switch to a new technology. Their Chicken Little syndrome is tiresome and insulting. Time and time again industries have met the required standards, and at a fraction of the projected costs. Besides, the public's health and environment are worth an additional 3 cents a gallon for diesel fuel.

I applaud the EPA for addressing diesel emission and diesel fuel standards. However, I have two recommendations to improve the proposed regulations, better protecting public health and the environment. One, all components of your program should be fully implemented by 2007. Two, more work should be done to promote the use of alternative fuel vehicles.

The New York Metropolitan Area has a severe air quality problem. As I am sure you are aware, this

area is classified as a "severe non-attainment area" by the EPA, and has never met the Clean Air Act's health-based air quality standards. Pushing the nitrogen oxides full implementation out until 2010 does little to help New York City and the surrounding suburbs with their ozone-smog problem. Eliminating or shortening the phase-in period is necessary for cleaning up the New York Metropolitan Area's air.

Encouraging the switch to alternative fuel vehicles will further improve air quality. Long Island's bus fleet is scheduled to be diesel free by 2005. The number of compressed natural gas powered vehicles in New York City's bus fleet is growing, but not as quickly as the MTA originally projected. The MTA has moved away from purchasing CNG power buses of favor of hybrid diesel electric buses, which is much less desirable. The toxic emissions associated with diesel makes it an undesirable fuel. EPA encouraging the state and local agencies to purchase non-diesel powered buses and trucks would improve the air quality even more.

Thank you for this opportunity to testify, and thank you for addressing diesel vehicle emissions and diesel fuel.

MR. FRANCE: Thank you. Next is Lisa

Schreibman.

MS. LISA SCHREIBMAN: I was trying desperately to think of anything original, and the only thing original that I came up with I'm afraid somebody might have already explained in the four hours or so I wasn't here. And now you'll all say, oh, are they going to make us do make us do it again?

Allow me to sort of explain: When I was field organizing a couple of jobs ago, I used to have to explain the difference between "ozone" and "ozone," because after all, this would cause confusion. Because on the one hand, everyone's talking about saving the ozone and on the other hand, they're talking about getting rid of it. Actually it's kind of a nice exercise, but maybe it would have been better about two hours ago, because the way you explain it is good ozone (indicating up) and bad ozone is (indicating down) then making them stand up and do it. (Demonstrating.)

But I'm afraid somebody might have taught 800 people this routine already. So I make my --

My name is Lisa Schreibman, I'm the New York City Coordinator for the Tri-State Transportation Campaign, a consortium of thirteen of the region's leading environmental, planning, and transit advocacy groups that work to achieve sustainable transportation

by reforming and redirecting transportation investment patterns, many of whom have testified already today.

We have worked on both truck and bus pollution issues as they relate to New York, New Jersey, and Connecticut. Specifically, we have worked to ensure that the maximum amount of freight is moved by train, that the trucks that move freight run on clean fuels, and that they operate in such a way as causes the least harm possible to people living near truck routes. We have also worked to make sure that more people use buses, and that the bus emissions are as low as possible.

Today we are here to thank the EPA for its proposal to remove sulfur from diesel in order to clean up the nation's trucks and buses. This rule, although not eliminating all of the dangers posed by trucks and buses, is the air pollution equivalent of taking 13 million diesel trucks off from the roads. As such, it is the single most influential fuel policy now up for debate.

Talking sulfur out of diesel, as many said before me, is the equivalent of taking lead out of gasoline. Pollution control devices cannot work while sulfur is there, and can work when it is not. The EPA's proposed rule will eliminate 97 percent of the

sulfur in diesel fuel by 2006, 90 percent of soot particles by 2007, and 95 percent of nitrogen oxides by the end of the decade.

New York City is a great place for your first hearing on this proposal. And, in fact, we think that the fact you are still here tonight, makes it the perfect place. Here, like in other major cities, we can see the most egregious effects of diesel pollution. Half the particulate emissions in midtown comes from diesel tailpipes. We live in chronically high summertime smog levels smog levels. And New York State is home to more than a million asthmatics, half of whom are children. We have some of nation's highest asthma rates and the communities that have the highest of the high rates are all along the truck routes, expressways, and bus depots of our cities.

However, the only rational way to clean up the air pollution in New York city and other places polluted by sources that can travel from other states is with a national rule. It simply won't do to just clean up the pollution in polluted areas, it would be insufficient to require low-sulfur fuel only in polluted areas, because if a truck was traveling outside the jurisdiction and was unable to acquire the proper fuel, its pollution traps would become

incapacitated by using just a few tanks of regular diesel fuel. Thus, even in areas with low levels of pollution, low-sulfur diesel fuel must be made available. That is why implementing a sulfur cap nationally by mid 2006 makes sense.

The two points poise that the opposition has tried to make today is that one, they need more time; and two, the proposed rule is too costly.

As if they haven't made it clear enough, the environmental and health communities have been discussing and advocating the problems of pollution from fuels since the mid-1970s. The oil industry has, therefore, had 20 years to voluntarily reduce sulfur in its fuel, but it hasn't. It is, thus, up to the government to require the changes.

We have already heard about this rule being too costly, using some hocus-pocus math that no one really understands, and drive up the prices of goods beyond the prices that we are seeing today. And yet, the people who have testified today have pointed out that the industry earns more profits in a single quarter than removing sulfur from diesel fuel will cost in the next ten years. And that the costs will be passed on to us, the consumers.

However, it is the hardest hit consumers,

those who are low income people, who are the hardest hit by dirty air consistently, those are the ones who would probably be the most impacted by cost increases to consumer goods. And yet, all of the individuals who came here and told you about what they want, felt that the 4 cents on the gallon that it's predicted to cost to clean up the air is a good set of goals. This is something that they are willing to pay for. Today we have heard from many low-income people that it's worth the health of their children and communities.

In fact, we are heartend to see every type of concern represented here today. From local, state, and city elected officials, government agency representatives, industry groups, citizen groups, and individuals from the entire region are here to show their support in being able to breathe the air. We want to echo their applause for the EPA and for its proposal, and look forward to the successful finalization of this proposal by the end of the year. Thank you.

MR. FRANCE: Thank you very much. And the last speaker is Nancy Gibbs.

MS. NANCY GIBBS: My name is Nancy Gibbs. I didn't even know you were going to have a meeting here until I got a call from one of your interns. I don't

know how she got my name, she said I was on a list.

I live in the South Bronx, I've lived there for over 30 years. I'm a grandmother, I'm 74-years old. I'm also working as a professional occupational therapist within part of the medical establishment in the field of rehabilitation.

I speak to you in favor of your proposal. The petroleum industry (inaudible) shown concern for the people in our community. The use of electric and (inaudible) buses is certainly a wonderful idea. I don't want you to wait until 2010, I hope you don't have to compromise. I hope that you will go ahead with your plans and get this done. And this gentleman, I overheard, said 2007. And so I've been learning just since I've been in here.

I've tried to do a lot with the young (inaudible) in their meetings. They were having a lot of meetings (inaudible). I live near 180th Street in the Bronx, which is a minority community. I guess I'm a minority within a minority. I see people file in our buses time and time again.

I work another job as well as working in a nursing home. I work up in Riverdale, which is a very (inaudible) community, full of wonderful trees and the buses are always there, waiting. And they don't

scatter the way do on 180th Street, where all of us poor people wait and get a face full of black smog. And following the bus, right on the track of the bus, is a big massive truck. And that happens almost every day.

And so, as I say, I live in a poor neighborhood. I'm lucky enough to live in a co-op and it's a nice co-op. But a lot of people, which when they ask me where I live, I say well, and I tell them. And they say just exactly where is this? And I say well, literally this the southeast Bronx, but it's really the South Bronx. Then it's oh, you don't live in Riverdale? No, no, I don't.

So I spoke -- I understand from the phone call that I got from this lovely attorney, that she wanted to hear from people that live in the South Bronx. I guess she got my name because I have testified several times (inaudible), and I came across people who were very much against diesel fuels during these sessions.

My particular beef was that we would stand for hours. I have literally stood for an hour and a half waiting for the number 36 bus. I've also seen big -- and I understand from your attorney that you're interested in the people from the South Bronx -- I have

seen four schools go up right across the street from electrical power plants, and I've wondered why because there that is contamination. And that's right along the 36 bus line right on 190th Street. So I can't figure out the thinking of the city people in doing that.

However, there has been slight improvement in the 36 bus. But low and behold, suddenly my landscape which did have trees, suddenly was obliterated by tremendous construction going on. In other words, our community is getting full of people. And when I spoke to a bus driver who picked me up from my job at Riverdale, I said this bus is empty, why don't you put more of your buses down in the South Bronx? He said we don't have enough bus drivers. He said don't you know we're recruiting? There aren't enough of them for where you live. I was flabbergasted, absolutely flabbergasted.

So I'm speaking to you mostly from a personal idiom. I come as an individual. Although, I did get 5,000 signatures for my little thing about trying to get the 36 bus (inaudible) I went around (inaudible) and all of the buses up and down, and I got 5,000 signatures within six months.

So any way, getting back to about the issue

of contaminants. I am also not only an occupational therapist, I'm also an artist. And I (inaudible) -- I won't mention its name because I respect it too highly -- but the area you go in there (inaudible) artists using all kinds of contaminants, whether it be sulphur or cobalt. And I studied at this school for several years, and suddenly I found out I was getting thyroid problems and I was seeing my doctor. So one of the (inaudible) said about is hormonal problems, I was a direct recipient of this. So I started telling my study mates, please would you cut down the turpentine, please cut down on some of these.

I also (Inaudible) and one of them, or a number of them told me if I work with them, if I could give them exercise. A senior citizen exercise, which comprises of stretching. And most of these people have pain, arthritic pain. So a couple of them came up to me and they told me I suffer this pain and then I go away to the country, this beautiful camp, and no more pain. So that told me a lot about the Bronx, because they live in the Bronx. Thank you.

MR. FRANCE: Thank you. Thank you all for coming and being so patient. I believe that concludes all the testifiers.

(The hearing was concluded at 8:35 p.m.)

C E R T I F I C A T E

I, PATRICIA A. SANDS, a Shorthand Reporter and Notary Public of the State of New York and New Jersey, do hereby certify that the foregoing is a true and accurate transcript of the testimony as taken stenographically by and before me at the time, place and on the date hereinbefore set forth.

I do further certify that I am neither of counsel nor attorney for any party in this action and that I am not interested in the event nor outcome of this hearing.

Notary Public of the State of New York
Certificate No. 4974309
New Jersey Certificate No. 2109345

Dated: