BOARD MEETING DATE: July 8, 2016

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, June 10, 2016. The next Legislative Committee meeting is scheduled for Friday, July 15, 2016 at 9 a.m. in Conference Room CC8.

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RECOMMENDED ACTION:
Receive, file this report, and approve agenda items as specified in this letter.

Judith Mitchell
Chair
Legislative Committee

Attendance [Attachment 1]
The Legislative Committee met on June 10, 2016. Committee Chair Judith Mitchell and Committee Member Janice Rutherford were present at the South Coast Air Quality Management District’s (SCAQMD) Diamond Bar headquarters. Committee Members Michael D. Antonovich, Joe Buscaino, and Dr. Clark E. Parker, Sr. attended via videoconference. Committee Member Dr. William Burke was absent.
**Update on Federal Legislative Issues [Attachment 2]**
SCAQMD’s federal legislative consultants (Carmen Group, Cassidy & Associates, and Kadesh & Associates) each provided a written report on key Washington, D.C. issues.

Committee Member Rutherford asked Cassidy & Associates what part of the House Energy Legislation had received veto threats from the President. Ms. Amelia Jenkins with Cassidy and Associates responded that it was mostly regarding environmental provisions of the bill. Cassidy & Associates committed to providing additional details regarding those controversial provisions to SCAQMD staff for distribution to the Committee Members.

**Update on State Legislative Issues [Attachment 3]**
SCAQMD’s state legislative consultants (Joe A. Gonsalves & Son and Gonzalez, Quintana, Hunter & Cruz, LLC) also provided written reports on key issues in Sacramento.

Mr. Matt Klopfenstein, SCAQMD’s state legislative consultant with Gonzalez, Quintana, Hunter & Cruz, updated his firm’s written report by stating that the Budget Conference Committee met until late Thursday night, as the Governor and Legislature reached agreement on most of the State budget. One of the items that is left open for further discussion in the coming months is the Cap & Trade Greenhouse Gas Reduction Fund Expenditure Plan.

**Recommend Position on State Bills [Attachment 4]**

**S. 2012 (Murkowski) Vehicle Innovation Act of 2016**
Ms. Lisha B. Smith, SCAQMD Deputy Executive Officer of Legislative & Public Affairs (LPA), presented S. 2012, the Vehicle Innovation Act of 2016, to the Committee.

S. 2012 is a component of the Senate Energy Bill which authorizes appropriations to the U.S. Department of Energy (DOE) for research, development, engineering, demonstration, and commercial application of vehicles and related technologies, including heavy duty trucks.

**Staff recommended a position of SUPPORT.**

*Moved by Rutherford; seconded by Buscaino*
*Ayes: Antonovich, Buscaino, Rutherford, Mitchell*
*Noes: None*
*Absent: Burke, Parker*  
*Dr. Parker was not present when the vote was taken.*
Mr. Philip Crabbe, Community Relations Manager of SCAQMD’s LPA Office, presented on H.R. 4675.

H.R. 4675 would direct the Federal Aviation Administration (FAA), in consultation with the U.S. Environmental Protection Agency (EPA), to issue regulations that prohibit the use of leaded fuel by aircraft operating within United States airspace beginning on January 1, 2021.

Staff recommended a position of SUPPORT.
Moved by Rutherford; seconded by Parker
Ayes: Antonovich, Buscaino, Parker, Rutherford, Mitchell
Noes: None
Absent: Burke

H.R. 4775 (Olson) Ozone Standards Implementation Act of 2016
Mr. Crabbe presented H.R. 4775 to the Committee.

H.R. 4775 would change the timing and extend deadlines for states to implement the National Ambient Air Quality Standards (NAAQS) for ground-level ozone under the federal Clean Air Act (CAA).

Staff recommended a position of WATCH.
Moved by Rutherford; seconded by Buscaino
Ayes: Antonovich, Buscaino, Parker, Rutherford, Mitchell
Noes: None
Absent: Burke

Report from SCAQMD Home Rule Advisory Group [Attachment 5]
Please refer to Attachment 5 for written report.

Other Business:
None

Public Comment Period:
None

Attachments
1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports
4. Recommend Positions on Federal Bills
SCAQMD BOARD MEMBERS:
Councilmember Judith Mitchell, Chair
Supervisor Michael D. Antonovich (Videoconference)
Councilmember Joe Buscaino (Videoconference)
Dr. Clark E. Parker, Sr. (Videoconference)
Supervisor Janice Rutherford

STAFF TO COMMITTEE:
Lisha B. Smith, Deputy Executive Officer
Julie Franco, Senior Administrative Secretary

SCAQMD STAFF:
Barbara Baird, Chief Deputy Counsel
Naveen Berry, Planning and Rules Manager
Philip Crabbe, Community Relations Manager
Phil Fine, Deputy Executive Officer
Henry Hogo, Assistant Deputy Executive Officer
Chris Marlia, Assistant Deputy Executive Officer
Fred Minassian, Assistant Deputy Executive Officer
Matt Miyasato, Deputy Executive Officer
Wayne Nastri, Acting Executive Officer
Mohsen Nazemi, Deputy Executive Officer
Robert Paud, Telecommunications Supervisor
Mary Reichert, Senior Deputy Counsel
Denny Shaw, Communications Center Supervisor
Rainbow Yeung, Senior Public Information Specialist (Videoconference)
Kim White, Public Affairs Specialist
Kurt Weise, General Counsel
Patti Whiting, Staff Specialist

OTHERS PRESENT:
Mark Abramowitz, Governing Board Member Consultant (Lyou/Videoconference)
Kaleb Froehlich, Cassidy & Associates (teleconference)
Paul Gonsalves, Joe A. Gonsalves & Son (teleconference)
Sue Gornick, Western States Petroleum Association
Tom Gross, Southern California Edison
Jacob Haik, Governing Board Member Consultant (Buscaino/Videoconference)
Stewart Harris, The Carmen Group
Gary Hoitsma, The Carmen Group
Amelia Jenkins, (Cassidy & Associates/teleconference)
Mark Kadesh, Kadesh & Associates
Chris Kierig, Kadesh & Associates
Bill LaMarr, California Small Business Alliance
Chung Liu, Governing Board Member Consultant (Mitchell)
Rita Loof, RadTech
Debra Mendelsohn, Governing Board Member Consultant (Antonovich)
Noel Muyco, SoCalGas
David Röthbart, Los Angeles County Sanitation Districts
Susan Stark, Tesoro
Warren Weinstein, Kadesh & Associates
Peter Whittingham, Curt Pringle & Associates
MEMORANDUM

To: Members of the South Coast Air Quality Management District Legislative Committee

From: Gary Hoitsma and Stewart Harris, Carmen Group

Date: June 10, 2016

Subj: Update on Federal Legislative Issues

1) **EPA Budget:** The House Appropriations Subcommittee on Interior, Environment, and Related Agencies released its FY17 appropriations bill, which funds EPA among other federal agencies. Through our work with Chairman Calvert’s office, the Chairman was able to include $40 million in funding for the Targeted Airshed Grant Program, effectively doubling last year’s enacted level of $20 million. Chairman Calvert was also able to fund EPA’s Diesel Emission Reduction Act (DERA) program at $100 million, again doubling last year’s enacted level of $50 million. The Committee Report that accompanies the bill has not yet been released, but we expect it will once again at Calvert’s direction—include language that directs EPA to spend at least 70% of the DERA funding to improve air quality in non-attainment areas while similarly directing the expenditure of the Targeted Airshed Grant funds. While it is not certain if Chairman Calvert will be able to maintain these high levels of funding through the appropriations process, it represents a positive sign of his strong support for SCAQMD and a good starting point for negotiations with the Senate.

2) **FAST Act Implementation:** We participated in the national webinar held by the Federal Highway Administration (FHWA) to solicit comments from stakeholders and the public regarding the implementation of Section 1413 of the FAST Act, which calls for the designation of National Corridors that will provide for Electric Vehicle Charging and Hydrogen, Propane and Natural Gas Fueling Infrastructure. FHWA presented questions, some of which reflected comments provided by the District through our earlier discussion with FHWA staff, and sought comments from stakeholders through the webinar. FHWA indicated selection criteria for corridors would be developed in late May, with a solicitation being published in the Federal Register in June. Respondents would have 30 days to provide recommendations to FHWA, which would provide for an internal decision in late August / early September. The final corridor selections would be published in the Federal Register in September (this date is likely to slip due to internal review). FHWA would then offer technical assistance and follow-up to areas selected as corridors, however no funding will be associated with the designations.

3) **Washington Visit Preparation:** We worked with SCAQMD staff to prepare and begin scheduling meetings for SCAQMD’s June Washington visit. Meetings will be with the District’s Congressional delegation, other targeted Congressional offices, federal agencies,
and other stakeholders. We have been working with staff in these offices to discuss the District’s priority issues and lay the groundwork for effective meetings.
To: South Coast Air Quality Management District

From: Cassidy & Associates

Date: June 3, 2016

Re: June Legislative Update

General Congressional Outlook

After a three week legislative session in May, Congress recessed for Memorial Day and will return for the month of June. The House will be in session for 21 more days, while the Senate will be in session for 27 days before adjourning for a long summer recess in late July through Labor Day.

Congress’ unfinished business rests on three major issues: spending measures, energy legislation, and Puerto Rico legislation.

Issues of Interest to SCAQMD

Energy Legislation
On May 23rd, House lawmakers passed their updated version of an energy bill to conference with the already passed Senate bipartisan energy legislation. The House legislation passed by a vote of 241-178, with eight Democrats voting in favor of the bill and six Republicans opposing. Included were a number of provisions which have drawn a veto threat from the President.

Prior to adjourning for the Memorial Day recess, House Speaker Paul Ryan and Democratic Leader Nancy Pelosi appointed members to the conference committee.

The House Republican conferees include:
- Energy and Commerce Committee Chairman Fred Upton (R-MI)
- Natural Resources Committee Chairman Rob Bishop (R-UT)
- Science, Space and Technology Committee Chairman Lamar Smith (R-TX)
- Agriculture Committee Chairman Mike Conaway (R-TX)

The House Democrats conferees include:
- House Energy and Commerce Committee Ranking Member Frank Pallone (D-NJ)
- House Natural Resources Committee Ranking Member Rep. Raúl Grijalva (D-AZ)
- Agriculture Committee Ranking Member Collin Peterson (D-MN);
- Science, Space and Technology Committee Ranking Member Eddie Bernice Johnson (D-TX),
• Transportation and Infrastructure Ranking Member Peter DeFazio (D-OR)
• Rep. Lois Capps (D-CA)
• Rep. Jared Huffman (D-CA)
• Rep. Doris Matsui (D-CA)

Under normal circumstances, the Senate would move to appoint conferees and the conference committee would then set out a meeting schedule. Given the disparities between the House and Senate legislation, it is unclear if the Senate Democrats will support a move to initiate a conference, but Senate Energy Chairwoman Lisa Murkowski (R-AK) remains very optimistic that Senate conferees will be appointed in early June.

As a reminder, the Senate energy bill includes the Vehicle Innovation Act. When the conference committee convenes, it will be important for SCAQMD to engage the Californians and others on the conference committee to encourage inclusion of the Vehicle Innovation Act in the final bill.

**June 14-16 SCAQMD Legislative Board DC Trip - Planning Update**

Cassidy & Associates is continuing to work very hard in planning the upcoming June Legislative Board visit to Washington, D.C. We have secured a meeting at the White House with the Director of the Council on Environmental Quality, as well as President Obama’s Advisor on Energy and Climate Change.

Next, the Cassidy team is working to secure a reception room on Capitol Hill for a Tuesday evening reception with congressional members and staff.

Finally, we are reaching out to various Senators and Representatives to schedule meetings, with most of the focus on Section 177 States and their delegations.
**Upcoming Board Trip to DC**
We are working with SCAQMD staff to prepare for the Board trip in June. Earlier this month, the DC representative of the Manufacturers of Emission Controls Association (MECA) reached out to discuss how we can work together. So far, MECA has been very supportive of our efforts which could prove useful in soliciting support from members outside of California. We have worked very closely with SCAQMD staff to set up Congressional meetings for the Board Members' visit. We anticipate a productive series of meetings. The process of setting up meetings is ongoing and we will keep SCAQMD staff apprised as new meetings are scheduled.

Kadesh & Associates took the lead on drafting a Congressional sign on letter for our members to submit to the Administration in support of our petition. The hope is that the letter focuses the Congressional offices on the issue and serves as a vehicle to get them engaged on the petition.

**Congressional Appropriations**
The Congressional appropriations process continues to grind ahead slowly and given the compressed schedule, there is little hope that any of the FY17 bills will be ready by the end of the fiscal year. We continue to work the Senate Energy & Water Appropriations bill and the FY17 Interior Appropriations bill. The Senate passed its FY17 Energy & Water bill after a lengthy delay. As mentioned in previous reports, the Senate Energy & Water bill has provided an SCAQMD-supported $10 million funding source for zero emission technology in the past and contains similar language this year. Additionally, the Senate Interior appropriations subcommittee is planning to markup their bill before the August recess. This bill funds the EPA and also has included funding for SCAQMD in the past.

Starting next week, the House has scheduled several appropriations bills for consideration: DOD, MilCon, THUD, and the Zika funding vehicles are due for consideration early in June. Beyond that, though, there are very few “must pass” bills on the agenda. The lack of Congressional urgency lends credence to the emphasis on Administrative actions and rule-making.
Cap and Trade Auctions:

Last month’s quarterly auction of Cap and Trade allowances, which was expected to generate more than 500 million dollars for the Greenhouse Gas Reduction Fund (GGRF), brought in only $10 million, as the Air Resources Board sold only a fraction of the allowances it was offering.

The Governor’s Office believes this is a one-time adjustment, however, those who study the complex market believe that the underlying conditions are more systemic than situational, the most prominent being an increasing concern that the program will expire in 2020.

When the Legislature passed the enabling legislation a decade ago (AB 32), it was aimed at reducing carbon emissions to 1990 levels by 2020, not only through selling a declining number of allowances at rising prices, but through more specific targets, particularly increasing renewable electric power generation.

The debate in Sacramento still exists over whether the cap-and-trade system can legally exist after 2020, or would have to be reauthorized by the Legislature. Meanwhile, there’s a pending lawsuit that seeks to have the system declared a tax under Proposition 26 of 2010, which would require a two-thirds legislative vote to renew the program.
If the program revenues continue to decline, the financial impact to the State would slow plans by Governor Brown and the Legislature to spend what they thought would be billions of dollars in GGRF revenues. As you know, Governor Brown has a $3.1 billion Cap and Trade spending plan in his 2016-17 budget, based on an assumption that auctions would generate more than $2 billion during the fiscal year. A big chunk of that money was to go to Governor Brown’s High-Speed Rail. High-speed rail officials have been planning to “securitize” the cap-and-trade money to finance the next major segment, linking San Jose with the San Joaquin Valley, that would be the first to carry fare-paying passengers. However, the currently lawsuit on cap-and-trade revenue has made securitization even more difficult, especially coupled with the sharp downturn in the market.

**Governor Brown’s Subnational Clean Energy Ministerial in San Francisco:**

On June 1, 2016, Governor Brown organized leaders from states, cities and provinces from around the world at the inaugural Subnational Clean Energy Ministerial (SubCEM) in San Francisco to highlight regional clean energy and climate action and collaboration. The event also included Pacific Coast Collaborative members, Oregon Governor Kate Brown, Washington Governor Jay Inslee, British Columbia Environment Minister Mary Polak and officials from major West Coast cities to announce new efforts to reduce emissions and combat climate change.

The two Pacific Coast Collaborative agreements signed today include:

1. **The Pacific Coast Climate Leadership Action Plan:**

An agreement between Pacific Coast Collaborative members California, Oregon, Washington and British Columbia, which reaffirms the key climate and clean energy commitments made in 2013 and extends regional collaboration in new ways, including:

- Establishing a consistent approach for monitoring and reporting on emissions of short-lived climate pollutants such as methane and black carbon, with the aim of establishing reduction targets by 2020.

- Promoting integration of electricity grids in Western states and increasing opportunities for cross-national energy sharing; increasing climate resilience through collaboration on drought preparedness, wildfire risk mitigation and forest restoration.
• Accelerating the transition to zero-emission vehicles (ZEVs) through support for a comprehensive Pacific Coast charging network and bulk vehicle purchasing programs.

2. The Pacific North America Climate Leadership Agreement:
A pact between Pacific Coast Collaborative members California, Oregon, Washington and British Columbia, as well as the City of Vancouver, British Columbia and U.S. cities Los Angeles, San Francisco, Oakland, Seattle and Portland in which the jurisdictions commit to achieve an 80% reduction in greenhouse gases by 2050 through collaboration in several areas. These include strategies to:

• Enhance the regional ZEV market.

• Implementation of benchmarking and disclosure programs for energy use by large buildings.

• Aiming for energy data reporting from at least 75% of eligible large building square footage.

• Reducing carbon emissions from food waste through organic waste prevention and recovery initiatives such as composting and food redistribution.

Additionally, Governor Brown welcomed seven jurisdictions - Telangana, India; Veneto, Italy; Laikipia County, Kenya; City of Budapest, Hungary; City of Santiago, Chile; City of Sacramento, USA; and the City of Portland, USA - as new signatories to the Under 2 MOU climate agreement, the global pact among cities, states and countries to limit the increase in global average temperature to below 2 degrees Celsius. A total of 135 jurisdictions representing 32 countries and six continents have now signed or endorsed the Under 2 MOU. Signatories commit to either reducing greenhouse gas emissions 80% to 95% below 1990 levels by 2050 or achieving a per capita annual emission target of less than 2 metric tons by 2050.

**SB 1387 (De León)**

SB 1387 (De León) proposes the following:

• Would require the District Board to submit to the State Air Resources Board for review and approval the district’s plan for attainment or a revision to that plan.
• Would require the District Board to submit to the State Board for review and approval the
district’s market-based incentive program and any revisions to that program.
• Would add 3 members to the district board: with the additional members appointed by the
Governor, the Senate Committee on Rules, and the Speaker of the Assembly.

The bill passed off the Senate Floor on May 31, 2016 on a party-line vote of 22-13. The bill has not been
referred to a Committee, but we anticipate it will be referred to Assembly Natural Resources. We will
be sure to keep SCAQMD staff apprised of the bill. The following list will provide you with the Support
and Opposition to SB 1387 when it was heard on the Senate Floor:

**SUPPORT:**
• American Lung Association in California
• Autobahn
• California Environmental Justice Alliance
• California Bicycle Coalition
• Center for Communication action and Environmental Justice (CCAEJ)
• Clean Power Campaign
• Coalition for Clean Air
• Environment California
• NextGen Climate Action
• Physicians for Social Responsibility- Los Angeles
• Sierra Club of California
• Union of Concerned Scientist

**OPPOSITION:**
• California Building Industry Association
• California Council for Environmental and Economic Balance
• American Coatings Association
• American Forest & Paper Association
• Associated Builders and Contractors of California
• Automotive Specialty Products Alliance
- Building Industry Association of Southern California
- Building Owners & Managers Association of California
- California Asphalt Pavement Association
- California Association of Realtors
- California Auto Body Association
- California Business Properties Association
- California Chamber of Commerce
- California Construction and Industrial Materials Association
- California Cotton Ginners and Growers Association
- California Independent Oil Marketers Association
- California Independent Petroleum Association
- California League of Food Processors
- California Manufacturers & Technology Association
- California Metals Coalition
- California Paint Council
- California Railroad Industry
- California Small Business Alliance
- California Small Business Association
- California Taxpayers' Association
- California Trucking Association
- Chemical Industry Council of California
- Coalition of Energy Users
- Commercial Real Estate Development Association
- Construction Industry Air Quality Coalition
- Consumer Specialty Products Association
- El Monte/South El Monte Chamber of Commerce
- Engineering Contractor's Association
- Fullerton Association of Concerned Taxpayers
- Future Port
- Grocery Manufacturers Association
- Harbor Trucking Association
- Heraeus
- Howard Jarvis Taxpayers Association
- Hyatt Die Cast & Engineering Corporation
- Independent Oil Producers Agency
- Industrial Association of Contra Costa County
- Industrial Environmental Association
- Inland Empire Economic Partnership
- International Council of Shopping Centers
- International Warehouse Logistics Association
- Kern Country Taxpayers Association
- Long Beach Chamber of Commerce
- Los Angeles Area Chamber of Commerce
- Metal Finishing Association of Northern California
- Metal Finishing Association of Southern California
- National Federation of Independent Business, California
- Orange County Board of Supervisors
- Printing Industries Association of Southern California
- Redondo Beach Chamber of Commerce
- Regional Hispanic Chamber of Commerce
- Riverside Board of Supervisors
- Santa Barbara Taxpayers Association
- Santa Barbara Technology and Industry Association
- Small Business Action Committee
- South Bay Association of Chambers of Commerce
- Torrance Area Chamber of Commerce
- Valley Industry & Commerce Association
- Western Agricultural Processors Association
- Western States Petroleum Association
- Western States Trucking Association
AB 1691 (Gipson and C. Garcia)

AB 1691, by Assemblymember’s Mike Gipson and Christina Garcia, would require the California Air Resources Board (ARB) to update the Enhanced Fleet Modernization Program (EFMP) guidelines to create efficiencies in the EFMP Plus Up Pilot Project (Plus Up). Specifically, this bill:

- The provisions of the bill would sunset on July 1, 2022.
- Declares the intent of the Legislature that Plus Up be focused on disadvantaged communities.
- Requires ARB, no later than June 30, 2017, to update EFMP guidelines to ensure the following occur with regard to the EFMP Plus Up Pilot Project (Plus Up):
  - Each local air district implementing a vehicle retirement program with a backlog or a waiting list for applicants is required to develop a plan on how to eliminate the backlog or waiting list.
  - Specific steps are taken to ensure that the program is not being misused, including, but not limited to, random income eligibility verification and contact with program participants at least once after their vehicles are replaced.
  - The program is accessible to the lowest income disadvantaged communities by developing mandatory partnerships with, and a mandatory minimum amount of overall funding allocated for outreach to community-based organizations.
  - Requires that an outreach and partnership report be submitted to every six months after July 1, 2017.
  - The applicant prescreening be enhanced, if deemed appropriate.
  - Priority is given to the retirement of vehicles that are 15 years old or older and vehicles with more than 75,000 miles.

Our firm is currently working with the Authors of the bill to seek amendments that would do the following:

- Revise the provisions of the Plan to not require a formal plan from districts implementing EFMP that have backlogs or waiting list as long as the district provides in its quarterly program progress reports information on the backlog and actions taken to reduce the backlog.

- Update the program’s disadvantaged communities’ guidelines to ensure:
Specific steps are taken to ensure the vehicle replacement component of the program is available in areas at risk of being designated as Federal extreme nonattainment and in all districts containing disadvantaged communities.

- Funding for targeted outreach in low-income and disadvantaged communities for the program is increased from the amounts allocated last year.
- The monies allocated for EFMP be at the same levels allocated from the GGRF for the EFMP Plus Up Project.

The Author’s offices are currently reviewing our proposed amendments and we expect to have a response from them in the next few days.

AB 1691 was passed of the Assembly Floor on May 23, 2016 with a bi-partisan vote of 68-19. The bill is currently in the Senate waiting to be set for hearing in the Policy Committee.

**Legislative Deadlines**

- **May 31-June 3 Floor Session only.** No committee may meet for any purpose.
- **June 3** Last day for each house to pass bills introduced in that house.
- **June 6** Committee meetings may resume.
- **June 15** Budget Bill must be passed by midnight.
- **June 30** Last day for a legislative measure to qualify for the Nov. 8 General Election ballot.
- **July 1** Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment, provided Budget Bill has been passed.
- **Aug. 1** Legislature reconvenes from Summer Recess (J.R. 51(b)(2)).
- **Aug. 12** Last day for fiscal committees to meet and report bills.
- **Aug. 15-31** Floor Session only.
- **Aug. 19** Last day to amend on the Floor.
- **Aug. 31** Last day for each house to pass bills, except bills that take effect immediately or bills in Extraordinary Session. Final Recess begins upon adjournment.
SCAQMD Report
Gonzalez, Quintana, Hunter & Cruz, LLC
June 2, 2016

**General Update:**
It felt like the end of August this week as the Legislature worked in triple-digit heat until the waning hours of the night. The past month has been a very busy one with the Governor’s May Revise of the Budget, the Appropriations Suspense Hearings, and the House of Origin Bill Deadline.

The Governor’s Proposed Budget was changed slightly in the May Revise based on new projects and several new policy priorities, especially regarding affordable housing. The May Revise did not include any changes to the original Greenhouse Gas Reduction Fund expenditure plan or the Governor’s Transportation Funding proposal, though both of those items continue to be part of larger discussions. Both Houses have formally begun Budget Conference Hearings, where Senators and Assemblymembers review the Budget proposals together and attempt to reach Legislative agreement.

May was capped off with Appropriations Suspense File hearings in both the Assembly and the Senate on Friday, May 26. Assemblymember Lorena Gonzalez, Chair of the Assembly Appropriations Committee, announced that her committee was allowing only 58% of the 474 bills to pass onto the Assembly Floor. The Senate Appropriations Committee, meanwhile, considered 256 bills on the same day. As will be summarized below, many bills SCAQMD is tracking were held, but quite a few remain.

Finally, the month of June began in the heat of Floor Session, fittingly with triple-digit temperatures in Sacramento. The House of Origin deadline, for all 2016 bills to pass to their second house, was Friday, June 3. After a few late nights, both Houses were able to finish by Thursday evening. The rest of the month will consist of intensifying Budget discussions leading to the June 15 deadline, along with policy committees who must complete bill hearings by July 1.

Below are specific updates to policy issues being tracked by SCAQMD's legislative team.

**Aliso Canyon Response:**
SB 380 (Pavley), the Legislature's primary response to the Aliso Canyon gas leak, passed from the Legislature on May 3 and was signed into law by the Governor on May 10. Several state agencies are seeking funding from the Budget for additional staff to implement the provisions of SB 380.
SB 888 (Allen) establishes the Office of Emergency Services (OES) as the lead agency in response to gas leaks. It also establishes a fund for any penalties levied after a leak to be submitted which will be used for GHG reduction purposes. The bill passed from the Senate Floor 28-10, and is now headed to the Assembly.

Additionally, AB 1903 (Wilk) would authorize a study by the Office of Environmental Health Hazard Assessment of the long-term health impacts of the natural gas leak from the Aliso Canyon natural gas storage facility. This bill passed from the Assembly with a rare 80-0 vote.

**State Budget:**
The May Revise was released on May 13. Perhaps the most high-profile portion of the budget has become the GGRF money from the state’s Cap and Trade program. While the May Revise made no changes to the original $3.1 billion plan, the Assembly and Senate each proposed alternatives. These different versions have all been sent to the Conference Committee. The discussion has been complicated by the results of the May Cap & Trade Auction, which saw less than 10% of the expected revenues. This has cast a lot of uncertainty on GGRF spending and the programs supported by those funds.

The Legislative Analyst Office (LAO), Department of Finance (DOF) and state Legislators held a hearing on June 2 to discuss the results and how the volatility will impact 2016-17 budget allocations. The LAO and DOF commented on possible reasons for the steep decline. The main reasons appear to be uncertainty about authorization post-2020 absent legislation and the pending litigation challenging the legality of the Cap and Trade program.

Two other budget items that we have focused on are funding for UC Institute of Transportation Studies and GGRF funding for woodsmoke grant programs. The Senate proposed removing the woodsmoke grant provision from the GGRF budget. The Assembly and Governor support the program, so the item is being discussed in Conference Committee.

**CVRP/EFMP Related Issues:**
Three moderate Democrats in the Assembly were pushing legislation in this arena. These bills were all on the Assembly Appropriations Suspense File, but only one made it off. AB 2564 (Cooper) passed while the other two were held. The bills were caught up in the complications surrounding Cap and Trade funds, given that funding for the programs would largely come from the GGRF.

AB 1710 (Calderon) intended to create more long-term programs at CARB alongside CVRP. It also would have created a credit and a deduction for Personal Income Taxes and an exemption on Sales and Use Taxes up to $40,000 for low income purchasers. The bill was held on the Suspense File.

AB 1851 (Gray) would have increased CVRP incentives, with larger increases for low income purchasers. It also would have created an incentive for any businesses that purchase charging infrastructure and provided a sales tax benefit if you trade in a high-emitting car. The bill was held on the Suspense File.

AB 2564 (Cooper) increases CVRP incentives for low income purchasers and lowers the household income threshold for eligibility. The bill is now in the Senate.
**Natural Gas:**
Along with SB 380 previously discussed, Senator Pavley is also carrying SB 887, one of several bills in a comprehensive package to address natural gas well safety. It would comprehensively reform well standards at natural gas storage facilities by requiring continuous monitoring and regular inspection by DOGGR, limiting gas injection to the internal tubing rather than the entire well casing, and imposing other needed safety standards. SB 887 passed from the Senate and is now in the Assembly.

Additionally, AB 2460 (Irwin) aims to extend a program at the CPUC to incentivize solar thermal projects, and AB 2313 (Williams) would increase a program at the CPUC to incentivize biomethane projects. SB 1441 (Leno) would account for methane leaks from natural gas pipelines. All three of these bills passed from their respective House of Origin and are now in their second house. They are part of the larger movement to limit natural gas usage and leakage across the state.

**Short Lived Climate Pollutants:**
Called “super pollutants” by the environmental community and supportive legislators, SLCPs are a major priority in 2016 after CARB released its proposed strategy for reducing these emissions. SB 1383 (Lara) would mandate reductions in black carbon and methane in a way that’s very similar to CARB’s proposed strategy to reduce SLCPs, which would likely resolve any legal concerns in this area. The bill passed from the Senate and is now in the Assembly.
Vehicle Innovation Act of 2016
(Subtitle D of S. 2012, the Energy Policy Modernization Act of 2016”)

Summary: The Vehicle Innovation Act of 2016 is a component of the Senate Energy Bill which authorizes appropriations to the U.S. Department of Energy (DOE) for research, development, engineering, demonstration, and commercial application of vehicles and related technologies including heavy duty trucks.

Background: The Vehicle Innovation Act of 2016 is a component of the Senate’s Energy Bill, which is known as the Energy Policy Modernization Act of 2016.


In the 112th Congress (2011-12), a similar Advanced Vehicle Technology Act passed the House of Representatives on a bipartisan 312-114 vote, and passed the Senate Energy and Natural Resources Committee with broad bipartisan support. Neither this bill, nor any similar bill, has received a vote on the Senate Floor.

The SCAQMD Governing Board took a position in support of a similar bill in 2013, S. 488, the Advanced Vehicle Technology Act.

Status: On April 20, 2016, the Senate Energy Bill passed the Senate by a vote of 85-12. The House Energy Bill, which passed at the end of May, does not contain any provisions promoting vehicle innovations. The House has appointed Members to a conference committee. The Senate has yet to appoint conferees.

Specific Provisions:
This bill authorizes appropriations to the DOE for research, development, engineering, demonstration, and commercial application of vehicles and related technologies for FY2015-FY2020.

This legislation directs the Secretary of Energy to conduct a program of basic and applied research, development, demonstration, and commercial application activities on materials, technologies, and processes with the potential to
substantially reduce or eliminate petroleum use and emissions from the nation's passenger and commercial vehicles. The bill requires the program to include activities in numerous areas including the following:

- electrification of vehicle systems;
- batteries, ultra-capacitors, and other energy storage devices;
- engine efficiency and combustion optimization;
- hydrogen vehicle technologies;
- natural gas vehicle technologies;
- innovative propulsion systems;
- hydraulic hybrid technologies;
- engine compatibility with and optimization for a variety of transportation fuels;
- refueling and charging infrastructure for alternative fueled and electric or plug-in electric hybrid vehicles;
- sensing, communications, and actuation technologies for vehicle, electrical grid, and infrastructure; and
- retrofitting advanced vehicle technologies to existing vehicles.

These bills also reauthorize the DOE’S Vehicle Technologies Program, through which DOE partners with manufacturers of light duty auto, and medium and heavy duty commercial trucks and suppliers to conduct research to develop the next generation of fuel efficient cars and trucks ..

Among the objectives of this bill is “to develop cost-effective advanced technologies for wide-scale utilization throughout the passenger, commercial, government, and transit vehicle sectors.”

The bill directs DOE to partner with public and private sector entities to conduct research programs on a wide range of passenger vehicle and medium and heavy duty commercial vehicle technologies. In particular, DOE is directed to continue its existing investment into multiple transformational technologies.

DOE must partner with relevant research and development programs in other Federal agencies, and a range of industry stakeholders for a program of cooperative research, development, demonstration, and commercial application activities on advanced technologies for medium- to heavy-duty commercial, vocational, recreational, and transit vehicles. For Class 8 vehicles specifically, the bill would require the Secretary of Energy to establish a competitive grant program to demonstrate the integration of multiple advanced technologies on Class 8 truck and trailer platforms,
The bill requires DOE to conduct research, development, engineering, demonstration, and deployment activities on connectivity of vehicle roadway, vulnerable road users, traffic control systems, and transportation data systems, including technologies that allow for improved safety, reduced energy and fuel use, optimized traffic flow, and vehicle electrification;

It also has DOE carry out a program of R&D activities on advanced vehicle manufacturing technologies and practices and to develop standard testing procedures and technologies for evaluating the performance of advanced heavy vehicle technologies under a range of representative duty cycles and operating conditions and evaluate heavy vehicle performance using work performance-based metrics other than those based on miles per gallon and appropriate metrics based on the work performed by nonroad systems.

**Impacts on SCAQMD’s Mission, Operations or Initiatives:** The Vehicle Innovation Act would further a number of significant efforts supported by SCAQMD, namely efforts to provide greater federal funding and involvement in the development process (from research through commercialization and deployment) of light duty, medium-duty and heavy duty vehicles.

In addition, DOE is directed to seek opportunities to leverage resources and support initiatives of State and local governments in developing and promoting advanced vehicle technologies, manufacturing, and infrastructure. This could lead to greater federal support for SCAQMD programs and initiatives to further the development of zero and near-zero emission medium and heavy-duty vehicles.

The bill does not identify a specific source of funding, but does authorize funding for this program in the amount of $1.7 billion over 5 years.

This bill is expected to go to Conference, and support for these provisions would mean urging these provisions be included in an eventual Conference Report.

**Recommended Position:** SUPPORT
AN ACT

To provide for the modernization of the energy policy of the United States, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Energy Policy Modernization Act of 2016”.
4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

**TITLE I—EFFICIENCY**

Subtitle A—Buildings

Sec. 1001. Greater energy efficiency in building codes.
Sec. 1002. Budget-neutral demonstration program for energy and water con

sevation improvements at multifamily residential units.
Sec. 1003. Coordination of energy retrofitting assistance for schools.
Sec. 1004. Energy efficiency materials pilot program.
Sec. 1005. Utility energy service contracts.
Sec. 1006. Use of energy and water efficiency measures in Federal buildings.
Sec. 1007. Building training and assessment centers.
Sec. 1008. Career skills training.
Sec. 1009. Energy-efficient and energy-saving information technologies.
Sec. 1010. Availability of funds for design updates.
Sec. 1011. Energy efficient data centers.
Sec. 1012. Weatherization Assistance Program.
Sec. 1013. Reauthorization of State energy program.
Sec. 1014. Smart building acceleration.
Sec. 1015. Repeal of fossil phase-out.
Sec. 1016. Federal building energy efficiency performance standards.
Sec. 1017. Codification of Executive Order.
Sec. 1018. Certification for green buildings.
Sec. 1019. High performance green federal buildings.
Sec. 1020. Evaluation of potentially duplicative green building programs.
Sec. 1021. Study and report on energy savings benefits of operational efficiency programs and services.
Sec. 1022. Use of Federal disaster relief and emergency assistance for energy-efficient products and structures.
Sec. 1023. Watersense.

Subtitle B—Appliances

Sec. 1101. Extended product system rebate program.
Sec. 1102. Energy efficient transformer rebate program.
Sec. 1103. Standards for certain furnaces.
Sec. 1104. Third-party certification under Energy Star program.
Sec. 1105. Energy conservation standards for commercial refrigeration equipment.
Sec. 1106. Voluntary verification programs for air conditioning, furnace, boiler, heat pump, and water heater products.
Sec. 1107. Application of energy conservation standards to certain external power supplies.

*S 2012 ES*
Subtitle C—Manufacturing

Sec. 1201. Manufacturing energy efficiency.
Sec. 1202. Leveraging existing Federal agency programs to assist small and medium manufacturers.
Sec. 1203. Leveraging smart manufacturing infrastructure at National Laboratories.

Subtitle D—Vehicles

Sec. 1301. Short title.
Sec. 1302. Objectives.
Sec. 1303. Coordination and nonduplication.
Sec. 1304. Authorization of appropriations.
Sec. 1305. Reporting.

PART I—VEHICLE RESEARCH AND DEVELOPMENT

Sec. 1306. Program.
Sec. 1307. Manufacturing.

PART II—MEDIUM- AND HEAVY-DUTY COMMERCIAL AND TRANSIT VEHICLES

Sec. 1308. Program.
Sec. 1309. Class 8 truck and trailer systems demonstration.
Sec. 1310. Technology testing and metrics.
Sec. 1311. Nonroad systems pilot program.

PART III—ADMINISTRATION

Sec. 1312. Repeal of existing authorities.
Sec. 1313. Reauthorization of diesel emissions reduction program.
Sec. 1314. Gaseous fuel dual fueled automobiles.

Subtitle E—Short Title

Sec. 1401. Short title.

Subtitle F—Housing

Sec. 1501. Definitions.
Sec. 1502. Enhanced energy efficiency underwriting criteria.
Sec. 1503. Enhanced energy efficiency underwriting valuation guidelines.
Sec. 1504. Monitoring.
Sec. 1505. Rulemaking.
Sec. 1506. Additional study.

TITLE II—INFRASTRUCTURE

Subtitle A—Cybersecurity


Subtitle B—Strategic Petroleum Reserve

Sec. 2101. Strategic Petroleum Reserve modernization.
Sec. 2102. Strategic petroleum reserve drawdown and sale.
Subtitle C—Trade

Sec. 2201. Action on applications to export liquefied natural gas.
Sec. 2202. Public disclosure of liquefied natural gas export destinations.
Sec. 2203. Energy data collaboration.

Subtitle D—Electricity and Energy Storage

Sec. 2301. Grid storage program.
Sec. 2302. Electric system grid architecture, scenario development, and modeling.
Sec. 2303. Hybrid micro-grid systems for isolated and resilient communities.
Sec. 2304. Voluntary model pathways.
Sec. 2305. Performance metrics for electricity infrastructure providers.
Sec. 2306. State and regional electricity distribution planning.
Sec. 2307. Authorization of appropriations.
Sec. 2308. Electric transmission infrastructure permitting.
Sec. 2309. Report by transmission organizations on distributed energy resources and micro-grid systems.
Sec. 2310. Net metering study guidance.
Sec. 2311. Model guidance for combined heat and power systems and waste heat to power systems.

Subtitle E—Computing

Sec. 2401. Exascale computer research program.

TITLE III—SUPPLY

Subtitle A—Renewables

PART I—HYDROELECTRIC

Sec. 3001. Hydropower regulatory improvements.
Sec. 3002. Hydroelectric production incentives and efficiency improvements.
Sec. 3003. Extension of time for a Federal Energy Regulatory Commission project involving Clark Canyon Dam.
Sec. 3004. Extension of time for a Federal Energy Regulatory Commission project involving Gibson Dam.

PART II—GEOTHERMAL

SUBPART A—GEOTHERMAL ENERGY

Sec. 3005. National goals for production and site identification.
Sec. 3006. Priority areas for development on Federal land.
Sec. 3007. Facilitation of coproduction of geothermal energy on oil and gas leases.
Sec. 3008. Noncompetitive leasing of adjoining areas for development of geothermal resources.
Sec. 3009. Report to Congress.
Sec. 3010. Authorization of appropriations.

SUBPART B—DEVELOPMENT OF GEOTHERMAL, SOLAR, AND WIND ENERGY ON PUBLIC LAND

Sec. 3011. Definitions.
Sec. 3011A. Land use planning; supplements to programmatic environmental impact statements.
Sec. 3011B. Environmental review on covered land.
Sec. 3011C. Program to improve renewable energy project permit coordination.
Sec. 3011D. Savings clause.

SUBPART C—GEOTHERMAL EXPLORATION

Sec. 3012. Geothermal exploration test projects.

PART III—MARINE HYDROKINETIC

Sec. 3013. Definition of marine and hydrokinetic renewable energy.
Sec. 3014. Marine and hydrokinetic renewable energy research and development.
Sec. 3016. Authorization of appropriations.

PART IV—BIOMASS

Sec. 3017. Policies relating to biomass energy.

Subtitle B—Oil and Gas

Sec. 3102. Liquefied natural gas study.
Sec. 3103. PERT process coordination with respect to regulatory approval of gas projects.
Sec. 3104. Pilot program.
Sec. 3105. GAO review and report.
Sec. 3106. Ethane storage study.
Sec. 3107. Aliso Canyon natural gas leak task force.
Sec. 3108. Report on incorporating Internet-based lease sales.
Sec. 3109. Denali National Park and Preserve natural gas pipeline.

Subtitle C—Helium

Sec. 3201. Rights to helium.

Subtitle D—Critical Minerals

Sec. 3301. Definitions.
Sec. 3302. Policy.
Sec. 3303. Critical mineral designations.
Sec. 3304. Resource assessment.
Sec. 3305. Permitting.
Sec. 3306. Federal Register process.
Sec. 3307. Recycling, efficiency, and alternatives.
Sec. 3308. Analysis and forecasting.
Sec. 3309. Education and workforce.
Sec. 3310. National geological and geophysical data preservation program.
Sec. 3311. Administration.
Sec. 3312. Authorization of appropriations.

Subtitle E—Coal
Sec. 3401. Sense of the Senate on carbon capture, use, and storage development and deployment.
Sec. 3402. Fossil energy.
Sec. 3403. Establishment of coal technology program.
Sec. 3404. Report on price stabilization support.

Subtitle F—Nuclear

Sec. 3501. Nuclear energy innovation capabilities.
Sec. 3502. Next generation nuclear plant project.

Subtitle G—Workforce Development

Sec. 3601. 21st Century Energy Workforce Advisory Board.
Sec. 3602. Energy workforce pilot grant program.

Subtitle H—Recycling

Sec. 3701. Recycled carbon fiber.
Sec. 3702. Energy generation and regulatory relief study regarding recovery and conversion of nonrecycled mixed plastics.
Sec. 3703. Eligible projects.
Sec. 3704. Promoting use of reclaimed refrigerants in Federal facilities.

Subtitle I—Thermal Energy

Sec. 3801. Modifying the definition of renewable energy to include thermal energy.

TITLE IV—ACCOUNTABILITY

Subtitle A—Loan Programs

Sec. 4001. Terms and conditions for incentives for innovative technologies.
Sec. 4002. State loan eligibility.
Sec. 4003. GAO Study on fossil loan guarantee incentive program.
Sec. 4004. Program eligibility for vessels.
Sec. 4005. Additional reforms.
Sec. 4006. Department of Energy Indian energy education planning and management assistance program.

Subtitle B—Energy-Water Nexus

Sec. 4101. Nexus of energy and water for sustainability.
Sec. 4102. Smart energy and water efficiency pilot program.

Subtitle C—Innovation

Sec. 4201. America COMPETES programs.
Sec. 4202. Inclusion of early stage technology demonstration in authorized technology transfer activities.
Sec. 4203. Supporting access of small business concerns to National Laboratories.
Sec. 4204. Microgrid technology commercialization.
Sec. 4205. Sense of the Senate on accelerating energy innovation.
Sec. 4206. Restoration of Laboratory Directed Research and Development Program.
Sec. 4207. National Science and Technology Council coordinating subcommittee for high-energy physics.
Subtitle D—Grid Reliability

Sec. 4301. Bulk-power system reliability impact statement.
Sec. 4302. Report by transmission organizations on diversity of supply.

Subtitle E—Management

Sec. 4401. Federal land management.
Sec. 4402. Quadrennial Energy Review.
Sec. 4403. State oversight of oil and gas programs.
Sec. 4404. Under Secretary for Science and Energy.
Sec. 4405. Western Area Power Administration pilot project.
Sec. 4406. Research grants database.
Sec. 4407. Review of economic impact of BSEE rule on small entities.
Sec. 4408. Energy emergency response efforts of the Department.
Sec. 4409. GAO report on Bureau of Safety and Environmental Enforcement statutory and regulatory authority for the procurement of helicopter fuel.
Sec. 4410. Conveyance of federal land within the Swan Lake hydroelectric project boundary.
Sec. 4411. Study of waivers of certain cost-sharing requirements.
Sec. 4412. National park centennial.
Sec. 4413. Program to reduce the potential impacts of solar energy facilities on certain species.
Sec. 4414. Wild horses in and around the Currituck National Wildlife Refuge.

Subtitle F—Markets

Sec. 4501. Enhanced information on critical energy supplies.
Sec. 4503. Study of regulatory framework for energy markets.

Subtitle G—Affordability

Sec. 4601. E-prize competition pilot program.
Sec. 4602. Carbon dioxide capture technology prize.

Subtitle H—Code Maintenance

Sec. 4701. Repeal of off-highway motor vehicles study.
Sec. 4702. Repeal of methanol study.
Sec. 4703. Repeal of authorization of appropriations provision.
Sec. 4704. Repeal of residential energy efficiency standards study.
Sec. 4705. Repeal of weatherization study.
Sec. 4706. Repeal of report to Congress.
Sec. 4707. Repeal of report by General Services Administration.
Sec. 4708. Repeal of intergovernmental energy management planning and coordination workshops.
Sec. 4709. Repeal of Inspector General audit survey and President's Council on Integrity and Efficiency report to Congress.
Sec. 4710. Repeal of procurement and identification of energy efficient products program.
Sec. 4711. Repeal of national action plan for demand response.
Sec. 4712. Repeal of national coal policy study.
Sec. 4713. Repeal of study on compliance problem of small electric utility systems.
Sec. 4714. Repeal of study of socioeconomic impacts of increased coal production and other energy development.

Sec. 4715. Repeal of study of the use of petroleum and natural gas in combustors.

Sec. 4716. Repeal of submission of reports.

Sec. 4717. Repeal of electric utility conservation plan.

Sec. 4718. Emergency Energy Conservation repeals.


Sec. 4721. Elimination and consolidation of certain America COMPETES programs.

Sec. 4722. Repeal of state utility regulatory assistance.

Sec. 4723. Repeal of survey of energy saving potential.

Sec. 4724. Repeal of photovoltaic energy program.

Sec. 4725. Repeal of energy auditor training and certification.

Sec. 4726. Repeal of authorization of appropriations.


Sec. 4728. Repeal of hydrogen research, development, and demonstration program.

Sec. 4729. Repeal of study on alternative fuel use in nonroad vehicles and engines.

Sec. 4730. Repeal of low interest loan program for small business fleet purchases.

Sec. 4731. Repeal of technical and policy analysis for replacement fuel demand and supply information.


Sec. 4733. Repeal of Director of Climate Protector establishment.


Sec. 4735. Repeal of telecommuting study.

Sec. 4736. Repeal of advanced buildings for 2005 program.

Sec. 4737. Repeal of Energy Research, Development, Demonstration, and Commercial Application Advisory Board.

Sec. 4738. Repeal of study on use of energy futures for fuel purchase.

Sec. 4739. Repeal of energy subsidy study.

Sec. 4740. Modernization of terms relating to minorities.

TITLE V—CONSERVATION REAUTHORIZATION


Sec. 5002. Land and Water Conservation Fund.

Sec. 5003. Historic Preservation Fund.

Sec. 5004. Conservation incentives landowner education program.

TITLE VI—INDIAN TRIBAL ENERGY DEVELOPMENT AND SELF-DETERMINATION

Sec. 6001. Short title.

Subtitle A—Indian Tribal Energy Development and Self-determination Act Amendments

Sec. 6011. Indian tribal energy resource development.

Sec. 6012. Indian tribal energy resource regulation.
Sec. 6013. Tribal energy resource agreements.
Sec. 6014. Technical assistance for Indian tribal governments.
Sec. 6015. Conforming amendments.
Sec. 6016. Report.

Subtitle B—Miscellaneous Amendments

Sec. 6201. Issuance of preliminary permits or licenses.
Sec. 6202. Tribal biomass demonstration project.
Sec. 6203. Weatherization program.
Sec. 6204. Appraisals.
Sec. 6205. Leases of restricted lands for Navajo Nation.
Sec. 6206. Extension of tribal lease period for the Crow Tribe of Montana.
Sec. 6207. Trust status of lease payments.

TITLE VII—BROWNFIELDS REAUTHORIZATION

Sec. 7001. Short title.
Sec. 7002. Expanded eligibility for nonprofit organizations.
Sec. 7003. Multipurpose brownfields grants.
Sec. 7004. Treatment of certain publicly owned brownfield sites.
Sec. 7005. Increased funding for remediation grants.
Sec. 7006. Allowing administrative costs for grant recipients.
Sec. 7007. Small community technical assistance grants.
Sec. 7008. Waterfront brownfields grants.
Sec. 7009. Clean energy brownfields grants.
Sec. 7010. Targeted funding for States.
Sec. 7011. Authorization of appropriations.

TITLE VIII—MISCELLANEOUS

Sec. 8001. Removal of use restriction.

TITLE IX—MISCELLANEOUS

Sec. 9001. Intergency transfer of land along George Washington Memorial Parkway.

TITLE X—NATURAL RESOURCES

Subtitle A—Land Conveyances and Related Matters

Sec. 10001. Arapaho National Forest boundary adjustment.
Sec. 10002. Land conveyance, Elk Horn Ranch and White River National Forest, Colorado.
Sec. 10003. Land exchange in Crags, Colorado.
Sec. 10004. Cerro del Yuta and Río San Antonio Wilderness Areas.
Sec. 10006. Cooper Spur land exchange clarification amendments.
Sec. 10007. Expedited access to certain Federal land.
Sec. 10008. Black Hills National Cemetery boundary modification.

Subtitle B—National Park Management, Studies, and Related Matters

Sec. 10101. Refund of funds used by States to operate national parks during shutdown.
Sec. 10102. Lower Farmington and Salmon Brook recreational rivers.
Sec. 10103. Special resource study of President Street Station.
Sec. 10104. Special resource study of Thurgood Marshall's elementary school.
Sec. 10105. Special resource study of James K. Polk presidential home.
Sec. 10107. Designation of Jay S. Hammond Wilderness Area.
Sec. 10109. Establishment of a visitor services facility on the Arlington Ridge tract.

Subtitle C—Sportsmen's Access and Land Management Issues

PART I—NATIONAL POLICY

Sec. 10201. Congressional declaration of national policy.

PART II—SPORTSMEN'S ACCESS TO FEDERAL LAND

Sec. 10211. Definitions.
Sec. 10212. Federal land open to hunting, fishing, and recreational shooting.
Sec. 10213. Closure of Federal land to hunting, fishing, and recreational shooting.
Sec. 10214. Shooting ranges.
Sec. 10215. Federal action transparency.

PART III—FILMING ON FEDERAL LAND MANAGEMENT AGENCY LAND

Sec. 10221. Commercial filming.

PART IV—BOWS, WILDLIFE MANAGEMENT, AND ACCESS OPPORTUNITIES FOR RECREATION, HUNTING, AND FISHING

Sec. 10231. Bows in parks.
Sec. 10232. Wildlife management in parks.
Sec. 10233. Identifying opportunities for recreation, hunting, and fishing on Federal land.

PART V—FEDERAL LAND TRANSACTION FACILITATION ACT


PART VI—FISH AND WILDLIFE CONSERVATION

Sec. 10251. Amendments to Pittman-Robertson Wildlife Restoration Act.
Sec. 10253. National fish habitat conservation.
Sec. 10254. Gulf States Marine Fisheries Commission report on Gulf of Mexico outer Continental Shelf State boundary extension.
Sec. 10255. GAO report on Gulf of Mexico outer Continental Shelf State boundary extension.

PART VII—MISCELLANEOUS

Sec. 10261. Respect for treaties and rights.
Sec. 10262. No priority.

Subtitle D—Water Infrastructure and Related Matters

PART I—FONTENELLE RESERVOIR

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Sec. 10301. Authority to make entire active capacity of Fontenelle Reservoir available for use.
Sec. 10302. Savings provisions.

PART II—BUREAU OF RECLAMATION TRANSPARENCY

Sec. 10311. Definitions.
Sec. 10312. Asset management report enhancements for reserved works.
Sec. 10313. Asset management report enhancements for transferred works.
Sec. 10314. Offset.

PART III—BASIN WATER MANAGEMENT

SUBPART A—YAKIMA RIVER BASIN WATER ENHANCEMENT

Sec. 10321. Short title.
Sec. 10322. Modification of terms, purposes, and definitions.
Sec. 10323. Yakima River Basin Water Conservation Program.
Sec. 10324. Yakima Basin water projects, operations, and authorizations.

SUBPART B—Klamath Project Water and Power

Sec. 10329. Klamath Project.

PART IV—RESERVOIR OPERATION IMPROVEMENT

Sec. 10331. Reservoir operation improvement.

PART V—HYDROELECTRIC PROJECTS

Sec. 10341. Terror Lake Hydroelectric Project Upper Hidden Basin Diversion authorization.
Sec. 10342. Stay and Reinstatement of FERC License No. 11393 for the Mahoney Lake Hydroelectric Project.
Sec. 10343. Extension of deadline for hydroelectric project.
Sec. 10344. Extension of deadline for certain other hydroelectric projects.
Sec. 10345. Equus Beds Division extension.
Sec. 10346. Extension of time for a Federal Energy Regulatory Commission project involving Cannonsville Dam.

PART VI—PUMPED STORAGE HYDROPOWER COMPENSATION

Sec. 10351. Pumped storage hydropower compensation.

1 SEC. 2. DEFINITIONS.

2 In this Act:

3 (1) DEPARTMENT.—The term "Department" means the Department of Energy.

4 (2) SECRETARY.—The term "Secretary" means the Secretary of Energy.
(B) ensure that—

(i) the information from the manufacturer is protected; and

(ii) the security of the National Laboratory facility is maintained.

(3) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study.

(b) ACTIONS FOR INCREASED ACCESS.—The Secretary shall facilitate access to the National Laboratories studied under subsection (a) for small and medium manufacturers so that small and medium manufacturers can fully use the high-performance computing resources of the National Laboratories to enhance the manufacturing competitiveness of the United States.

Subtitle D—Vehicles

SEC. 1301. SHORT TITLE.

This subtitle may be cited as the “Vehicle Innovation Act of 2016”.

SEC. 1302. OBJECTIVES.

The objectives of this subtitle are—

(1) to establish a consistent and consolidated authority for the vehicle technology program at the Department;
(2) to develop United States technologies and practices that—

(A) improve the fuel efficiency and emissions of all vehicles produced in the United States; and

(B) reduce vehicle reliance on petroleum-based fuels;

(3) to support domestic research, development, engineering, demonstration, and commercial application and manufacturing of advanced vehicles, engines, and components;

(4) to enable vehicles to move larger volumes of goods and more passengers with less energy and emissions;

(5) to develop cost-effective advanced technologies for wide-scale utilization throughout the passenger, commercial, government, and transit vehicle sectors;

(6) to allow for greater consumer choice of vehicle technologies and fuels;

(7) shorten technology development and integration cycles in the vehicle industry;

(8) to ensure a proper balance and diversity of Federal investment in vehicle technologies; and
(9) to strengthen partnerships between Federal
and State governmental agencies and the private
and academic sectors.

SEC. 1303. COORDINATION AND NONDUPLICATION.

The Secretary shall ensure, to the maximum extent
practicable, that the activities authorized by this subtitle
do not duplicate those of other programs within the De-
partment or other relevant research agencies.

SEC. 1304. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Sec-
retary for research, development, engineering, demonstra-
tion, and commercial application of vehicles and related
technologies in the United States, including activities au-
thorized under this subtitle—

(1) for fiscal year 2016, $313,567,000;
(2) for fiscal year 2017, $326,109,000;
(3) for fiscal year 2018, $339,154,000;
(4) for fiscal year 2019, $352,720,000; and
(5) for fiscal year 2020, $366,829,000.

SEC. 1305. REPORTING.

(a) TECHNOLOGIES DEVELOPED.—Not later than 18
months after the date of enactment of this Act and annu-
ally thereafter through 2020, the Secretary shall submit
to Congress a report regarding the technologies developed
as a result of the activities authorized by this subtitle, with
a particular emphasis on whether the technologies were
successfully adopted for commercial applications, and if
so, whether products relying on those technologies are
manufactured in the United States.

(b) ADDITIONAL MATTERS.—At the end of each fis-
cal year through 2020, the Secretary shall submit to the
relevant Congressional committees of jurisdiction an an-
nual report describing activities undertaken in the pre-
vious year under this Act, active industry participants, the
status of public private partnerships, progress of the pro-
gram in meeting goals and timelines, and a strategic plan
for funding of activities across agencies.

PART I—VEHICLE RESEARCH AND
DEVELOPMENT

SEC. 1306. PROGRAM.

(a) ACTIVITIES.—The Secretary shall conduct a pro-
gram of basic and applied research, development, engi-
neering, demonstration, and commercial application activi-
ties on materials, technologies, and processes with the po-
tential to substantially reduce or eliminate petroleum use
and the emissions of the Nation’s passenger and commer-
cial vehicles, including activities in the areas of—

(1) electrification of vehicle systems;

(2) batteries, ultracapacitors, and other energy
storage devices;
(3) power electronics;
(4) vehicle, component, and subsystem manufacturing technologies and processes;
(5) engine efficiency and combustion optimization;
(6) waste heat recovery;
(7) transmission and drivetrains;
(8) hydrogen vehicle technologies, including fuel cells and internal combustion engines, and hydrogen infrastructure, including hydrogen energy storage to enable renewables and provide hydrogen for fuel and power;
(9) natural gas vehicle technologies;
(10) aerodynamics, rolling resistance (including tires and wheel assemblies), and accessory power loads of vehicles and associated equipment;
(11) vehicle weight reduction, including lightweighting materials and the development of manufacturing processes to fabricate, assemble, and use dissimilar materials;
(12) friction and wear reduction;
(13) engine and component durability;
(14) innovative propulsion systems;
(15) advanced boosting systems;
(16) hydraulic hybrid technologies;
(17) engine compatibility with and optimization
for a variety of transportation fuels including nat-
ural gas and other liquid and gaseous fuels;
(18) predictive engineering, modeling, and sim-
ulation of vehicle and transportation systems;
(19) refueling and charging infrastructure for
alternative fueled and electric or plug-in electric hy-
brid vehicles, including the unique challenges facing
rural areas;
(20) gaseous fuels storage systems and system
integration and optimization;
(21) sensing, communications, and actuation
technologies for vehicle, electrical grid, and infra-
structure;
(22) efficient use, substitution, and recycling of
potentially critical materials in vehicles, including
rare earth elements and precious metals, at risk of
supply disruption;
(23) aftertreatment technologies;
(24) thermal management of battery systems;
(25) retrofitting advanced vehicle technologies
to existing vehicles;
(26) development of common standards, specifi-
cations, and architectures for both transportation
and stationary battery applications;
(27) advanced internal combustion engines;
(28) mild hybrid;
(29) engine down speeding;
(30) vehicle-to-vehicle, vehicle-to-pedestrian, and vehicle-to-infrastructure technologies; and
(31) other research areas as determined by the Secretary.

(b) TRANSFORMATIONAL TECHNOLOGY.—The Secretary shall ensure that the Department continues to support research, development, engineering, demonstration, and commercial application activities and maintains competency in mid- to long-term transformational vehicle technologies with potential to achieve reductions in emissions, including activities in the areas of—

(1) hydrogen vehicle technologies, including fuel cells, hydrogen storage, infrastructure, and activities in hydrogen technology validation and safety codes and standards;
(2) multiple battery chemistries and novel energy storage devices, including nonchemical batteries and electromechanical storage technologies such as hydraulics, flywheels, and compressed air storage;
(3) communication and connectivity among vehicles, infrastructure, and the electrical grid; and
(4) other innovative technologies research and
development, as determined by the Secretary.

(c) INDUSTRY PARTICIPATION.—To the maximum
extent practicable, activities under this Act shall be carried
out in partnership or collaboration with automotive manu-
facturers, heavy commercial, vocational, and transit vehi-
cle manufacturers, qualified plug-in electric vehicle manu-
facturers, compressed natural gas vehicle manufacturers,
vehicle and engine equipment and component manufactur-
ers, manufacturing equipment manufacturers, advanced
vehicle service providers, fuel producers and energy sup-
pliers, electric utilities, universities, national laboratories,
and independent research laboratories. In carrying out
this Act the Secretary shall—

(1) determine whether a wide range of compa-
nies that manufacture or assemble vehicles or com-
ponents in the United States are represented in on-
going public private partnership activities, including
firms that have not traditionally participated in fed-
erally sponsored research and development activities,
and where possible, partner with such firms that
conduct significant and relevant research and devel-
opment activities in the United States;

(2) leverage the capabilities and resources of,
and formalize partnerships with, industry-led stake-
holder organizations, nonprofit organizations, industry consortia, and trade associations with expertise in the research and development of, and education and outreach activities in, advanced automotive and commercial vehicle technologies;

(3) develop more effective processes for transferring research findings and technologies to industry;

(4) support public-private partnerships, dedicated to overcoming barriers in commercial application of transformational vehicle technologies, that utilize such industry-led technology development facilities of entities with demonstrated expertise in successfully designing and engineering pre-commercial generations of such transformational technology; and

(5) promote efforts to ensure that technology research, development, engineering, and commercial application activities funded under this Act are carried out in the United States.

(d) INTERAGENCY AND INTRAAGENCY COORDINATION.—To the maximum extent practicable, the Secretary shall coordinate research, development, demonstration, and commercial application activities among—
(1) relevant programs within the Department, including—

(A) the Office of Energy Efficiency and Renewable Energy;

(B) the Office of Science;

(C) the Office of Electricity Delivery and Energy Reliability;

(D) the Office of Fossil Energy;

(E) the Advanced Research Projects Agency—Energy; and

(F) other offices as determined by the Secretary; and

(2) relevant technology research and development programs within other Federal agencies, as determined by the Secretary.

(e) FEDERAL DEMONSTRATION OF TECHNOLOGIES.—The Secretary shall make information available to procurement programs of Federal agencies regarding the potential to demonstrate technologies resulting from activities funded through programs under this Act.

(f) INTERGOVERNMENTAL COORDINATION.—The Secretary shall seek opportunities to leverage resources and support initiatives of State and local governments in developing and promoting advanced vehicle technologies, manufacturing, and infrastructure.
(g) **CRITERIA.**—When awarding grants under this program, the Secretary shall give priority to those technologies (either individually or as part of a system) that—

(1) provide the greatest aggregate fuel savings based on the reasonable projected sales volumes of the technology; and

(2) provide the greatest increase in United States employment.

(h) **SECONDARY USE APPLICATIONS.**—

(1) **IN GENERAL.**—The Secretary shall carry out a research, development, and demonstration program that—

(A) builds on any work carried out under section 915 of the Energy Policy Act of 2005 (42 U.S.C. 16195);

(B) identifies possible uses of a vehicle battery after the useful life of the battery in a vehicle has been exhausted;

(C) conducts long-term testing to verify performance and degradation predictions and lifetime valuations for secondary uses;

(D) evaluates innovative approaches to recycling materials from plug-in electric drive vehicles and the batteries used in plug-in electric drive vehicles;
(E)(i) assesses the potential for markets for uses described in subparagraph (B) to develop; and

(ii) identifies any barriers to the development of those markets; and

(F) identifies the potential uses of a vehicle battery—

(i) with the most promise for market development; and

(ii) for which market development would be aided by a demonstration project.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress an initial report on the findings of the program described in paragraph (1), including recommendations for stationary energy storage and other potential applications for batteries used in plug-in electric drive vehicles.

(3) SECONDARY USE DEMONSTRATION.—

(A) IN GENERAL.—Based on the results of the program described in paragraph (1), the Secretary shall develop guidelines for projects that demonstrate the secondary uses and innovative recycling of vehicle batteries.
(B) PUBLICATION OF GUIDELINES.—Not later than 18 months after the date of enactment of this Act, the Secretary shall—

(i) publish the guidelines described in subparagraph (A); and

(ii) solicit applications for funding for demonstration projects.

(C) PILOT DEMONSTRATION PROGRAM.—Not later than 21 months after the date of enactment of this Act, the Secretary shall select proposals for grant funding under this section, based on an assessment of which proposals are mostly likely to contribute to the development of a secondary market for batteries.

SEC. 1307. MANUFACTURING.

The Secretary shall carry out a research, development, engineering, demonstration, and commercial application program of advanced vehicle manufacturing technologies and practices, including innovative processes—

(1) to increase the production rate and decrease the cost of advanced battery and fuel cell manufacturing;

(2) to vary the capability of individual manufacturing facilities to accommodate different battery chemistries and configurations;
(3) to reduce waste streams, emissions, and energy intensity of vehicle, engine, advanced battery and component manufacturing processes;

(4) to recycle and remanufacture used batteries and other vehicle components for reuse in vehicles or stationary applications;

(5) to develop manufacturing processes to effectively fabricate, assemble, and produce cost-effective lightweight materials such as advanced aluminum and other metal alloys, polymeric composites, and carbon fiber for use in vehicles;

(6) to produce lightweight high pressure storage systems for gaseous fuels;

(7) to design and manufacture purpose-built hydrogen fuel cell vehicles and components;

(8) to improve the calendar life and cycle life of advanced batteries; and

(9) to produce permanent magnets for advanced vehicles.

PART II—MEDIUM- AND HEAVY-DUTY COMMERCIAL AND TRANSIT VEHICLES

SEC. 1308. PROGRAM.

The Secretary, in partnership with relevant research and development programs in other Federal agencies, and a range of appropriate industry stakeholders, shall carry
out a program of cooperative research, development, demonstration, and commercial application activities on advanced technologies for medium- to heavy-duty commercial, vocational, recreational, and transit vehicles, including activities in the areas of—

(1) engine efficiency and combustion research;

(2) onboard storage technologies for compressed and liquefied natural gas;

(3) development and integration of engine technologies designed for natural gas operation of a variety of vehicle platforms;

(4) waste heat recovery and conversion;

(5) improved aerodynamics and tire rolling resistance;

(6) energy and space-efficient emissions control systems;

(7) mild hybrid, heavy hybrid, hybrid hydraulic, plug-in hybrid, and electric platforms, and energy storage technologies;

(8) drivetrain optimization;

(9) friction and wear reduction;

(10) engine idle and parasitic energy loss reduction;

(11) electrification of accessory loads;
(12) onboard sensing and communications technologies;
(13) advanced lightweighting materials and vehicle designs;
(14) increasing load capacity per vehicle;
(15) thermal management of battery systems;
(16) recharging infrastructure;
(17) compressed natural gas infrastructure;
(18) advanced internal combustion engines;
(19) complete vehicle and power pack modeling, simulation, and testing;
(20) hydrogen vehicle technologies, including fuel cells and internal combustion engines, and hydrogen infrastructure, including hydrogen energy storage to enable renewables and provide hydrogen for fuel and power;
(21) retrofitting advanced technologies onto existing truck fleets;
(22) advanced boosting systems;
(23) engine down speeding; and
(24) integration of these and other advanced systems onto a single truck and trailer platform.
SEC. 1309. CLASS 8 TRUCK AND TRAILER SYSTEMS DEMONSTRATION.

(a) IN GENERAL.—The Secretary shall conduct a competitive grant program to demonstrate the integration of multiple advanced technologies on Class 8 truck and trailer platforms, including a combination of technologies listed in section 1308.

(b) APPLICANT TEAMS.—Applicant teams may be comprised of truck and trailer manufacturers, engine and component manufacturers, fleet customers, university researchers, and other applicants as appropriate for the development and demonstration of integrated Class 8 truck and trailer systems.

SEC. 1310. TECHNOLOGY TESTING AND METRICS.

The Secretary, in coordination with the partners of the interagency research program described in section 1308—

(1) shall develop standard testing procedures and technologies for evaluating the performance of advanced heavy vehicle technologies under a range of representative duty cycles and operating conditions, including for heavy hybrid propulsion systems;

(2) shall evaluate heavy vehicle performance using work performance-based metrics other than those based on miles per gallon, including those based on units of volume and weight transported for
freight applications, and appropriate metrics based
on the work performed by nonroad systems; and
(3) may construct heavy duty truck and bus
testing facilities.

SEC. 1311. NONROAD SYSTEMS PILOT PROGRAM.
The Secretary shall undertake a pilot program of re-
search, development, demonstration, and commercial ap-
lications of technologies to improve total machine or sys-
tem efficiency for nonroad mobile equipment including ag-
gricultural, construction, air, and sea port equipment, and
shall seek opportunities to transfer relevant research find-
ings and technologies between the nonroad and on-high-
way equipment and vehicle sectors.

PART III—ADMINISTRATION

SEC. 1312. REPEAL OF EXISTING AUTHORITIES.
(a) IN GENERAL.—Sections 706, 711, 712, and 933
16061, 16062, 16233) are repealed.
(b) ENERGY EFFICIENCY.—Section 911 of the En-
ergy Policy Act of 2005 (42 U.S.C. 16191) is amended—
(1) in subsection (a)—
(A) in paragraph (1)(A), by striking "vehic-
es, buildings," and inserting "buildings"; and
(B) in paragraph (2)—
(i) by striking subparagraph (A); and
(ii) by redesignating subparagraphs 
(B) through (E) as subparagraphs (A) 
through (D), respectively; and 
(2) in subsection (c)—
(A) by striking paragraph (3); 
(B) by redesignating paragraph (4) as 
paragraph (3); and 
(C) in paragraph (3) (as so redesignated), 
by striking “(a)(2)(D)” and inserting 
“(a)(2)(C)”.

SEC. 1313. REAUTHORIZATION OF DIESEL EMISSIONS REDUCTION PROGRAM.
Section 797(a) of the Energy Policy Act of 2005 (42 U.S.C. 16137(a)) is amended by striking “2016” and inserting “2021”.

SEC. 1314. GASEOUS FUEL DUAL FUELED AUTOMOBILES.
Section 32905 of title 49, United States Code, is amended by striking subsection (d) and inserting the following:
“(d) GASEOUS FUEL DUAL FUELED AUTOMOBILES.—
“(1) MODEL YEARS 1993 THROUGH 2016.—For any model of gaseous fuel dual fueled automobile manufactured by a manufacturer in model years 1993 through 2016, the Administrator shall measure
the fuel economy for that model by dividing 1.0 by
the sum of—

"(A) .5 divided by the fuel economy meas-
ured under section 32904(c) of this title when
operating the model on gasoline or diesel fuel;
and

"(B) .5 divided by the fuel economy meas-
ured under subsection (c) of this section when
operating the model on gaseous fuel.

"(2) Subsequent model years.—For any
model of gaseous fuel dual fueled automobile manu-
factured by a manufacturer in model year 2017 or
any subsequent model year, the Administrator shall
calculate fuel economy in accordance with section
600.510–12 (c)(2)(vii) of title 40, Code of Federal
Regulations (as in effect on the date of enactment
of this paragraph) if the vehicle qualifies under sec-
tion 32901(c).".

Subtitle E—Short Title

SEC. 1401. SHORT TITLE.
This title may be cited as the "Portman-Shaheen En-
ergy Efficiency Improvement Act of 2016".

Subtitle F—Housing

SEC. 1501. DEFINITIONS.
In this subtitle, the following definitions shall apply:
H.R. 4675 (Norton)
No Lead in the Air Act of 2016

Summary: This bill would direct the Federal Aviation Administration (FAA), in consultation with the U.S. Environmental Protection Agency (EPA), to issue regulations that prohibit the use of leaded fuel by aircraft operating within United States airspace beginning on January 1, 2021.

Background: While leaded gas for automobiles has been banned since 1995, the piston-engine aircraft industry and airports that supply their fuel continue to use leaded aircraft fuel. Lead exposure can have harmful effects on children as well as adults. The author argues that without a federal ban, such fuel will continue to be used and will continue to put communities and children at risk. Lead particles from airplane exhaust disperse widely during flight and there are high concentrations of lead near airports. It is estimated that in the U.S. 16 million people live and 3 million children go to school within a half-mile of airports that sell leaded aircraft fuel, called aviation gasoline (avgas). The health effects of lead in children include behavioral and learning problems, lower IQ, hyperactivity, slowed growth, hearing problems, and anemia. Lead exposure can cause premature births and spontaneous abortions in pregnant women, and adults can suffer from increased blood pressure, decreased kidney function, and reproductive problems.

Avgas is the only remaining lead-containing transportation fuel. It is utilized in general aviation aircraft with piston engines, which are generally used for instructional flying, air taxi activities, and personal transportation. While small airports continue to only sell leaded avgas for these piston-engine aircraft, the author claims that about 75% of piston-engine aircraft already operate safely with fuel that does not use lead. These aircraft can run on ordinary unleaded automobile gasoline, provided it does not contain ethanol. This fuel, often called autogas or mogas, has the advantages of being inexpensive and may be produced in larger quantities, compared with avgas. Also, nearly all of the latest generation piston engines come factory-certified to operate on mogas. The remaining number of piston-engine aircraft that need high-octane avgas may be able to be modified with existing technology to run on mogas.

The FAA has stated that it shares EPA’s concerns about lead emissions from small aircraft. The FAA claims that owners and operators of more than 200,000 piston-engine aircraft operating in the United States still rely on avgas to power their aircraft. Although lead in avgas is used to prevent engine knock, or detonation, that can result in a sudden engine failure, it remains a toxic substance that can be
inhaled or absorbed in the bloodstream and viable alternatives are either available or being developed. While the current levels of lead emissions are relatively low, avgas emissions have become the largest contributor to lead emissions produced in this country.

Consequently, the FAA, EPA, and the aviation industry are partnering to work to remove lead from avgas. The FAA has created a task force of government and aviation industry stakeholders to study alternative fuels for piston-engine aircraft that do not use lead, and according to the author, the agency has indicated it may certify lead-free aviation fuel sometime in 2018. Specifically, the FAA is working with aircraft and engine manufacturers, fuel producers, EPA, and industry associations to overcome technical and logistical challenges to developing and deploying a new unleaded fuel.

**Status:** On March 2, 2016, H.R. 4675 was referred to the House Committee on Transportation and Infrastructure. On March 3, 2016 the bill was referred to the Subcommittee on Aviation.

**Specific Provisions:** This bill would direct the Administrator of the FAA, in consultation with the Administrator of the EPA, to issue such regulations as are necessary to prohibit the use of leaded fuel by aircraft operating within United States airspace beginning on January 1, 2021.

**Impacts on SCAQMD’s Mission, Operations or Initiatives:** The South Coast region has numerous airports within its four county region, including 23 in Los Angeles County, 5 in Orange County, 24 in Riverside County and 46 in San Bernardino County, for a total of 98. Although current emissions of lead caused by aviation sources within the South Coast region do not currently prevent attainment of federal standards, consistent with the findings in multiple studies, EPA reports that any level of lead exposure is associated with a risk of deleterious health effects.\(^1\) Thus, eliminating this source of lead would help protect public health within the region.

The FAA and EPA are working with industry to develop new unleaded fuel potentially by 2018. In the meantime, a vast majority of piston-engined aircraft already operate safely with unleaded fuel. Thus, the author argues that this bill gives enough time, until 2021, for a full 5-year phase-out of lead in aircraft fuel.

**Recommended Position:** SUPPORT

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To direct the Administrator of the Federal Aviation Administration to prohibit the use of leaded fuel by aircraft operating within United States airspace.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2016

Ms. NORTON introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To direct the Administrator of the Federal Aviation Administration to prohibit the use of leaded fuel by aircraft operating within United States airspace.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "No Lead in the Air Act of 2016".

SEC. 2. PROHIBITION ON LEADED FUEL.

The Administrator of the Federal Aviation Administration, in consultation with the Administrator of the Environmental Protection Agency, shall issue such regulations as are necessary to prohibit the use of leaded fuel
by aircraft operating within United States airspace beginning on January 1, 2021.
H.R. 4775
Ozone Standards Implementation Act of 2016

Summary: This bill would change the timing and extend deadlines for states to implement the National Ambient Air Quality Standards (NAAQS) for ground-level ozone under the federal Clean Air Act (CAA).

Background: Under the CAA’s NAAQS program, the U.S. Environmental Protection Agency (U.S. EPA) sets standards for criteria pollutants, including ground-level ozone. U.S. EPA first established ozone standards in 1971, then revised them in 1979, 1997, and 2008. In 2008, the standard was lowered to 75 ppb. However, U.S. EPA did not publish implementing regulations for the 2008 standards until March 2015, and states are only now beginning to implement those standards. Then in October 2015, U.S. EPA revised the ozone standards again, making the standard more stringent at 70 ppb. So states must now simultaneously implement two ozone standards.

Status: On March 17, 2016, H.R. 4775 was referred to the House Energy and Commerce Committee. H.R. 4775 was referred on March 18, 2016, to the Subcommittee on Energy and Power. The subcommittee held a hearing on this bill on April 14, 2016 and the bill was marked up by the House Energy and Commerce Committee on May 18, 2016. The committee reported it out with amendments on May 27, 2016.

Specific Provisions: In October 2015, U.S. EPA issued a rule that tightened its NAAQS for ground-level ozone. The rule established a maximum level of 70 parts per billion compared with the previous 2008 ozone standard of 75 ppb. Currently, U.S. EPA is required to release final designations in 2017 regarding whether areas are in attainment or non-attainment with the 2015 ground-level ozone standards. States’ attainment of these standards is required between 2020 and 2037.

Currently, there is a five-year interval between U.S. EPA's mandatory review of NAAQS for ozone and other criteria pollutants. H.R. 4775, the Ozone Standards Implementation Act of 2016, would provide ten years for U.S. EPA to issue attainment designations for the new 2015 standards and all future new and revised NAAQS. So for the 2015 ozone standard, this bill gives U.S. EPA until Oct. 26, 2025, to release final designations regarding whether areas are in attainment or non-attainment with the new 2015 ground-level ozone standards. States would have another year, until Oct. 26, 2026, to submit state implementation plans (SIPs) for the standards. And the 2008 ozone NAAQS would continue in effect until nonattainment areas for the new 2015 standards are designated.
The bill would also prevent the 2015 ozone standards from applying to review and preparation of preconstruction permit applications if a state or tribal permitting authority deems the application complete before U.S. EPA releases its final designations. In addition, the bill amends the CAA to make "technological feasibility" a secondary consideration for U.S. EPA when promulgating all NAAQS. In other words, the bill would provide that for certain ozone and particulate matter nonattainment areas, states would not be required to include economically infeasible measures in their plans.

It also requires that prior to revising a NAAQS, the U.S. EPA Administrator may request from its independent scientific review committee that the committee provide advice “regarding any adverse public health, welfare, social, economic, or energy effects which may result from various strategies for attainment and maintenance” of the NAAQS.

States would be able to seek relief regarding certain exceptional events, including droughts, under Section 319 of the CAA.

And when publishing a final rule, the bill would have U.S. EPA issue guidance and regulations to implement a new NAAQS at the same time the agency is publishing a final rule. The bill would also direct U.S. EPA to submit a report to Congress within two years regarding the impacts of foreign emissions on NAAQS compliance and related matters.

In addition, the CAA provides that plans submitted by states to comply with NAAQS must include contingency measures, i.e. specific measures to take effect if an area fails to make reasonable further progress, or to attain the NAAQS by the attainment date for that state or region. H.R. 4775 includes language stating that contingency measures “shall not be required” for any extreme nonattainment area for ozone. Currently the only extreme ozone nonattainment areas are the South Coast Air Basin and the San Joaquin Air Basin.

Among the amendments added during the Committee Markup, one would add a definition, and a second would require the U.S. EPA Administrator, in conjunction with the National Oceanic and Atmospheric Administration (NOAA), to conduct a peer reviewed study on the atmospheric formation of ozone and effective control strategies, including the relative contribution of man-made and naturally occurring NOx, VOCs, and other pollutants. The final amendment would remove some of the current law which provides that ozone nonattainment areas of serious and above adopt a plan achieving a 15% VOC reduction in the first six years after classification and 3% per year thereafter. The provision provides an exception but does not apply it to extreme nonattainment areas. The amendment seems to be intended to provide extreme nonattainment areas the option to use that exception, although it may not actually achieve that result given how the law is drafted.
Impacts on SCAQMD’s Mission, Operations or Initiatives: The Ozone Standards Implementation Act of 2016 addresses concerns expressed by industry groups and several states that the statutory construct of the CAA’s NAAQS provisions provides increasing challenges. These challenges include the view that U.S. EPA fails to issue timely implementation regulations and guidance when standards are revised, that states are forced to pursue measures that may not be technologically or economically feasible, and that U.S. EPA reviews all NAAQS no later than every five years.

In general, the SCAQMD Governing Board has maintained the position that the NAAQS need to be based upon the best science and public health impacts and therefore any amendments to the Clean Air Act need to be carefully crafted to avoid weakening protection of public health. However, several provisions in H.R. 4775 take an approach that is counter to previous Governing Board policy:

Section 2(a): Designations

This section deals specifically with 70 ppb ozone standard U.S. EPA finalized on October 26, 2015. It provides that U.S. EPA shall promulgate final designations of attainment or nonattainment for this standard by October 26, 2025, and that states shall submit their SIPs for this standard by October 26, 2026.

Under existing CAA provisions, U.S. EPA must designate nonattainment areas no later than two years after promulgating a new or revised standard. Thus U.S. EPA would be required to designate areas by October 26, 2017. Under the CAA, SIPs for nonattainment areas are due three years after designation. This bill would make the SIP for the 2015 ozone standard due just one year after designation. The intent of this section is to allow states to delay planning for the new 70 ppb standard by eight years, and presumably also delay the attainment dates for an equivalent period.

In the past, the SCAQMD Governing Board has opposed changes in law which relax obligations to meet health-based standards. For example, SCAQMD sued to challenge U.S. EPA’s revocation of the 1-hour ozone standard effective 2005, which resulted in much confusion as well as the California Air Resources Board (CARB) withdrawing its mobile source measures and a resulting court order disapproving SCAQMD’s 2003 AQMP. Also, the longer planning is delayed to meet a standard, the more difficult it is to meet the standard in a timely and cost-effective manner, as earlier opportunities for controls or incentives may have been missed.
Section 3(a): Timeline for Review of NAAQS

This section changes the requirement for U.S. EPA to review the NAAQS from every five years as is currently set forth in Section 109(d) to every 10 years. (Of course, this section sets an outer limit—it does not prohibit U.S. EPA from reviewing the standards more often). In contrast, this section specifically prohibits U.S. EPA from reviewing the ozone standard or making any revisions to such criteria or standard before October 26, 2025.

This section would prohibit U.S. EPA from taking into account new scientific information regarding the adverse health effects of ozone for a decade. Past Governing Board policy has been that the NAAQS should be driven by the science.

Section 3(b): Consideration of Technological Feasibility

This section would provide that if U.S. EPA finds that a “range” of standards meet the statutory criteria, then U.S. EPA may consider, as a secondary consideration, likely technological feasibility in setting the national primary ambient air quality standard. Currently, the Clean Air Act requires the primary NAAQS to be based only on health based considerations. While the Supreme Court’s decision in *Whitman v. American Trucking Ass’ns*, 531 U.S. 457 (2001), dealt specifically with whether U.S. EPA could consider costs, the Court’s reliance on the language of the statute which focuses on health makes it clear that technology may not currently be considered in setting standards.

In the past, the Governing Board has taken the position that the NAAQS should be based on the science, and issues of feasibility should be considered in the implementation process.

Section 3(e): Contingency Measures

Section 3(e) would amend CAA Section 172(c)(9) regarding contingency measures to state that “Notwithstanding the preceding sentence and any other provisions of this Act, such measures shall not be required for any nonattainment area for ozone classified as an Extreme Area.” CAA Section 172(c)(9) generally requires a SIP to include “contingency measures” that would be automatically implemented if the region fails to make reasonable further progress or fails to attain by the statutory date. In the past, staff has commented that the general
requirement in CAA Section 172(c)(9) does not make sense for extreme ozone areas. This is because such areas must already implement all feasible measures to attain the standard, and in addition must rely on measures that rely on the development of new technologies (Section 182(e)(5) or “black box” measures).

As a result, there are no feasible measures “left out” of the attainment demonstration that can be used as contingency measures. U.S. EPA has agreed with SCAQMD and has held that for an Extreme nonattainment area, the ordinary CAA Section 172(c)(9) and Section 182(c) contingency measures can be satisfied by submitting only those specific measures set forth in Section 182(e)(5). These measures are not required to be in regulatory form when the SIP is submitted; instead there must be a commitment to submit such measures no later than three years before the reductions are needed.

This provision of H.R. 4775 goes beyond existing Governing Board policy by also eliminating contingency measures in “any other provision of this Act,” which would include CAA Section 182(e)(5) contingency measures. (See discussion of Section 3(f) below.)

Finally, this section is ambiguous because it applies only to Extreme nonattainment areas for ozone, yet read literally it would eliminate the obligation of such areas to adopt and implement contingency measures for other pollutants as well. This may make sense if the area is relying on the same measures to reach the ozone standard and some other standard (e.g., PM2.5), but it is not clear in this bill.

Section 3(f): Plan Submissions and Requirements for Ozone Nonattainment Areas

This section modifies several sections in the CAA. First it seeks to modify CAA Sections 182(b)(1)(A) and 182(c)(2)(B) regarding reasonable further progress. These sections currently require moderate and above ozone nonattainment areas to include in their SIPs (1) provisions requiring a 15% reduction in VOCs from baseline emissions in the years 1990-1996, and (2) 3% per year reductions in VOCs thereafter until attainment. Both sections allow a nonattainment area to obtain less than the required reductions if the area implements all measures achieved in practice by areas of the next higher classification as well as “all measures which can feasibly be implemented in the area, in light of technological achievability.” This bill would add “and economic feasibility” after the reference to technological achievability.
This amendment is consistent with existing Governing Board policy. In fact, the SCAQMD is currently suing U.S. EPA to challenge one part of the most recent ozone implementation rule, which changed U.S. EPA’s prior interpretation which allowed areas to incorporate emission reductions from upwind areas in their 15% and 3% plans, as long as they also included all upwind area emissions in the baseline inventory from which the reductions are calculated.

Second, Section 3(f) of this bill also provides that CAA Section 182(e)(5) cannot be used for reductions required before November 2000. This could be helpful to SCAQMD. U.S. EPA has already ruled that, as applied to the one-hour ozone standard, the section means what it says, and does not trigger a new 10-year period of inability to use the black box just because the state has missed the original 2010 attainment deadline. However, environmentalists are objecting to this interpretation in a lawsuit challenging U.S. EPA’s approval of SCAQMD’s 2012 1-hour ozone plan.

**Section 3(h): Exceptional Events**

This section makes two changes to the statute specifying certain events that cannot be considered “exceptional events.”

Section 319 of the CAA allows U.S. EPA to exclude air quality data that is directly due to exceptional events from use in determining whether the area has violated the NAAQS. The CAA currently excludes “stagnation of air masses or meteorological inversions” from the definition of exceptional event. But H.R. 4775 would remove this exclusion, thereby allowing “ordinarily-occurring stagnation of air masses” to be considered exceptional events, and this would likely also enable “ordinarily occurring meteorological inversions” to be considered as well. In the South Coast, stagnant air masses and meteorological inversions are common events so this provision may have little effect on the South Coast Air Basin. However, the term “ordinarily occurring” is vague. This language could allow the South Coast Air Basin to continue to exceed existing or future health-protective NAAQS for many days out of the year, depending on how “ordinarily-occurring” is interpreted. Stagnation and inversions are a major contributor to NAAQS violations in the South Coast Air Basin. The Governing Board has not considered this question.

CAA Section 319 also excludes “a meteorological event involving high temperatures or lack of precipitation” from the definition of “exceptional event.”
H.R. 4775 would strike this exclusion entirely, allowing such events to be considered exceptional events. There is no doubt that the recent severe drought has delayed the South Coast Air Basin’s attainment of applicable PM2.5 standards. However, this precise issue has not been presented to the Governing Board.

In addition, high temperatures and lack of precipitation are endemic in the South Coast Air Basin, Coachella Valley, other areas of California and elsewhere. Given potential climate change impacts, these circumstances may increase in the future. Therefore, allowing data obtained during such events to be excluded when determining attainment could mean the region never actually attains healthful air quality because many days in the summer and even other parts of the year may be excluded.

**Section 3(i): Report on Emissions Emanating From Outside the United States**

This section requires the Administrator to report, within 24 months of the enactment of this Act, on the extent to which foreign sources of emissions impact designations as nonattainment, on U.S. EPA’s procedures and timelines for acting on states’ requests for protection under Section 179B, and whether U.S. EPA recommends any statutory changes to deal with states’ requests relative to foreign-source pollution.

This section is consistent with existing Board policy, as the SCAQMD’s 2015 comment letter on EPA’s proposed revised ozone standard noted the need for information and guidance on how to address background and foreign-source pollution.

**Support and Opposition: More than 200 business groups, including the Alliance of Automobile Manufacturers, American Coatings Association, American Farm Bureau Federation, American Forest & Paper Association, the Chemical Industry Council of California, National Association of Home Builders, National Association of Manufacturers, National Black Chamber of Commerce, National Council of Textile Organizations, National Federation of Independent Business, Truck and Engine Manufacturers Association, and the U.S. Chamber of Commerce, have written a letter expressing “significant concerns that the 2015 ozone standards overlap with existing state plans to implement the 2008 standards, leading to duplicative and wasteful implementation schedules, and unnecessary and severe economic impacts.”**
The letter continues by saying that H.R. 4775 “better [aligns] the 2015 ozone standards with the 2008 standards and their associated emissions reductions…[and] will help prevent unnecessary nonattainment designations and cost burdens, without sacrificing environmental protection. The legislation’s permitting relief and other reforms are also an important step towards air standards that balance environmental protection and economic development.”

Other supporters of this bill include the American Chemistry Council, the National Association of Manufacturers, and the Industrial Energy Consumers of America. According to a letter of support from the American Chemistry Council, “[m]anufacturers who want to build or expand in the United States must be able to obtain regulatory permits in a timely, transparent and efficient manner. But too often, EPA fails to provide necessary guidance and rules—delays that can last for years and put investment and jobs at risk. Today’s flawed process also burdens states with duplicative and wasteful implementation timelines. This bill is an opportunity for Congress to help ensure thoughtful, reasonable implementation of ozone standards.”

In a written statement, the National Association of Manufacturers’ Vice President of Energy and Resources Policy, said that “H.R. 4775 would ensure continued air quality improvements across the country, while better aligning the rule’s requirements with the realities of the economy, technology and existing policies.”

Opponents of the bill include Center for Biological Diversity, Conservatives for Responsible Stewardship, Earthjustice, Environment America, Environmental Defense Fund, League of Conservation Voters, League of Women Voters, Natural Resources Defense Council, Physicians for Social Responsibility, and the Sierra Club. In a joint letter, these opponents expressed the view that provisions in this legislation “would radically weaken the Clean Air Act to double the time period in which the U.S. EPA is required to review national health standards for ozone, soot, lead and other dangerous pollutants. Current law requires that [U.S.] EPA review the science on ozone, soot, and four other common pollutants every five years, and update standards for these pollutants if the science indicates the standards should be updated.”

The opponents’ letter noted that “even with this 5-year statutory deadline, in practice [U.S.] EPA has reviewed health standards every 8 years or longer. What this means is that delaying the statutory deadline from 5 to 10 years would in effect delay [U.S.] EPA’s updates to standards for even longer than 10 years. As we learn more about air pollution, we understand it is more dangerous to human health, with especially harmful impacts on children and their developing lungs and hearts. Delaying review of the best medical
science does not make current air pollution levels safe — it just means more Americans will suffer unhealthy air pollution levels longer.”

The letter continues, saying that “The Clean Air Act since 1970, backed by a unanimous Supreme Court ruling authored by former Justice Antonin Scalia, makes clear that EPA must consider only medical and public health data to set clean air health standards that protect all Americans, including children, the elderly and asthma sufferers. H.R. 4775 would pollute a medical process with money (and, invariably, politics) and undermine the Act’s very foundation of clean air health standards, leaving millions of Americans exposed to dangerous air pollution even when medical science tells us that amount of air pollution is unsafe.”

Other opponents of this bill include a coalition of health organizations including the Allergy & Asthma Network, Alliance of Nurses for Healthy Environments, American Lung Association, American Public Health Association, American Thoracic Society, Asthma and Allergy Foundation of America, Children’s Environmental Health Network, Health Care Without Harm, March of Dime, Physicians for Social Responsibility, Public Health Institute, and Trust for America’s Health.

According to this coalition, the “Clean Air Act prioritizes reducing air pollution to protect the public’s health, but H.R. 4775 opens a new opportunity for communities to avoid cleaning up, irrespective of the health impacts.”

Specifically, this coalition has criticized the change in the definition of an exceptional event. “Under the Clean Air Act,” according to a letter from the coalition, “communities can demonstrate to [U.S.] EPA that an exceptional event – such as a wildfire – should not “count” in determining whether their air quality meets the national standards. This bill would recklessly expand the definition of exceptional events to include high pollution days when the air is simply stagnant – the precise air pollution episodes the Clean Air Act was designed to combat – and declare those bad air days as “exceptional.”

**Conclusion:** H.R. 4775 is significant because it attempts to “open up” the CAA and make changes for the first time since Congress passed the last major modification to the CAA in 1990. In Congress, opposition to opening up the CAA to any amendments (narrowly targeted or not) is currently so strong among Democrats – particularly in the Senate – that it is considered next to impossible to get any amendments to the CAA passed in the current Congress.

H.R. 4775 appears headed for likely passage in the House. A markup of this bill is expected to be set for some time in the next several weeks. But even if it passes a vote in
the House, it is expected to die in the Senate, where a likely filibuster by Democrats would be the ultimate backstop against it.

Despite this, the bill does not address the primary problem facing states that will have difficulty in meeting the 2015 ozone standard (let alone existing standards). That problem is that the federal government has provided insufficient assistance to states and regions to reduce pollution from sources under federal authority, whether through regulation or incentives. H.R. 4775, for the most part, seeks to delay implementation of the 2015 standard, which would likely not be necessary if the federal government took action to address emissions from the sources under its authority.

Recommended Position: WATCH
114TH CONGRESS
2d Session

H. R. 4775

To facilitate efficient State implementation of ground-level ozone standards,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2016

Mr. OLSON (for himself, Mr. FLORES, Mr. SCALISE, Mr. LATTA, Mr. MCCARTHY, and Mr. CUELLAR) introduced the following bill; which was referred
to the Committee on Energy and Commerce

A BILL

To facilitate efficient State implementation of ground-level
ozone standards, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 SECTION 1. SHORT TITLE.
4 This Act may be cited as the “Ozone Standards Im-
5 plementation Act of 2016”.
6 SEC. 2. FACILITATING STATE IMPLEMENTATION OF EXIST-
7 ING OZONE STANDARDS.
8 (a) DESIGNATIONS.—
9 (1) DESIGNATION SUBMISSION.—Not later than
10 October 26, 2024, notwithstanding the deadline
specified in paragraph (1)(A) of section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)), the Governor of each State shall designate in accordance with such section 107(d) all areas (or portions thereof) of the Governor's State as attainment, nonattainment, or unclassifiable with respect to the 2015 ozone standards.

(2) Designation promulgation.—Not later than October 26, 2025, notwithstanding the deadline specified in paragraph (1)(B) of section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)), the Administrator shall promulgate final designations under such section 107(d) for all areas in all States with respect to the 2015 ozone standards, including any modifications to the designations submitted under paragraph (1).

(3) State implementation plans.—Not later than October 26, 2026, notwithstanding the deadline specified in section 110(a)(1) of the Clean Air Act (42 U.S.C. 7410(a)(1)), each State shall submit the plan required by such section 110(a)(1) for the 2015 ozone standards.

(b) Certain preconstruction permits.—
(1) IN GENERAL.—The 2015 ozone standards shall not apply to the review and disposition of a preconstruction permit application if—

(A) the Administrator or the State, local, or tribal permitting authority, as applicable, determines the application to be complete on or before the date of promulgation of the final designation of the area involved under subsection (a)(2); or

(B) the Administrator or the State, local, or tribal permitting authority, as applicable, publishes a public notice of a preliminary determination or draft permit for the application before the date that is 60 days after the date of promulgation of the final designation of the area involved under subsection (a)(2).

(2) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to—

(A) eliminate the obligation of a preconstruction permit applicant to install best available control technology and lowest achievable emission rate technology, as applicable; or

(B) limit the authority of a State, local, or tribal permitting authority to impose more stringent emissions requirements pursuant to
State, local, or tribal law than national ambient air quality standards.

SEC. 3. FACILITATING STATE IMPLEMENTATION OF NATIONAL AMBIENT AIR QUALITY STANDARDS.

(a) Timeline for Review of National Ambient Air Quality Standards.—

(1) 10-Year Cycle for All Criteria Air Pollutants.—Paragraphs (1) and (2)(B) of section 109(d) of the Clean Air Act (42 U.S.C. 7409(d)) are amended by striking "five-year intervals" each place it appears and inserting "10-year intervals".

(2) Cycle for Next Review of Ozone Criteria and Standards.—Notwithstanding section 109(d) of the Clean Air Act (42 U.S.C. 7409(d)), the Administrator shall not—

(A) complete, before October 26, 2025, any review of the criteria for ozone published under section 108 of such Act (42 U.S.C. 7408) or the national ambient air quality standard for ozone promulgated under section 109 of such Act (42 U.S.C. 7409); or

(B) propose, before such date, any revisions to such criteria or standard.
(b) Consideration of Technological Feasibility.—Section 109(b)(1) of the Clean Air Act (42 U.S.C. 7409(b)(1)) is amended by inserting after the first sentence the following: “If the Administrator, in consultation with the independent scientific review committee appointed under subsection (d), finds that a range of levels of air quality for an air pollutant are requisite to protect public health with an adequate margin of safety, as described in the preceding sentence, the Administrator may consider, as a secondary consideration, likely technological feasibility in establishing and revising the national primary ambient air quality standard for such pollutant.”.

(c) Consideration of Adverse Public Health, Welfare, Social, Economic, or Energy Effects.—Section 109(d)(2) of the Clean Air Act (42 U.S.C. 7409(d)(2)) is amended by adding at the end the following:

“(D) Prior to establishing or revising a national ambient air quality standard, the Administrator shall request, and such committee shall provide, advice under subparagraph (C)(iv) regarding any adverse public health, welfare, social, economic, or energy effects which may result from various strategies for attainment and maintenance of such national ambient air quality standard.”.
(d) **TIMELY ISSUANCE OF IMPLEMENTING REGULATIONS AND GUIDANCE.**—Section 109 of the Clean Air Act (42 U.S.C. 7409) is amended by adding at the end the following:

“(e) **TIMELY ISSUANCE OF IMPLEMENTING REGULATIONS AND GUIDANCE.**—

“(1) **IN GENERAL.**—In publishing any final rule establishing or revising a national ambient air quality standard, the Administrator shall, as the Administrator determines necessary to assist States, permitting authorities, and permit applicants, concurrently publish regulations and guidance for implementing the standard, including information relating to submission and consideration of a preconstruction permit application under the new or revised standard.

“(2) **APPLICABILITY OF STANDARD TO PRECONSTRUCTION PERMITTING.**—If the Administrator fails to publish final regulations and guidance that include information relating to submission and consideration of a preconstruction permit application under a new or revised national ambient air quality standard concurrently with such standard, then such standard shall not apply to the review and disposition of a preconstruction permit application until the
Administrator has published such final regulations and guidance.

"(3) RULES OF CONSTRUCTION.—

"(A) Nothing in this subsection shall be construed to preclude the Administrator from issuing regulations and guidance to assist States, permitting authorities, and permit applicants in implementing a national ambient air quality standard subsequent to publishing regulations and guidance for such standard under paragraph (1).

"(B) Nothing in this subsection shall be construed to eliminate the obligation of a preconstruction permit applicant to install best available control technology and lowest achievable emission rate technology, as applicable.

"(C) Nothing in this subsection shall be construed to limit the authority of a State, local, or tribal permitting authority to impose more stringent emissions requirements pursuant to State, local, or tribal law than national ambient air quality standards.

"(4) DEFINITIONS.—In this subsection:
“(A) The term ‘best available control technology’ has the meaning given to that term in section 169(3).

“(B) The term ‘lowest achievable emission rate’ has the meaning given to that term in section 171(3).

“(C) The term ‘preconstruction permit’—

“(i) means a permit that is required under part C or D for the construction or modification of a major emitting facility or major stationary source; and

“(ii) includes any such permit issued by the Environmental Protection Agency or a State, local, or tribal permitting authority.”.

(e) CONTINGENCY MEASURES FOR EXTREME OZONE NONATTAINMENT AREAS.—Section 172(c)(9) of the Clean Air Act (42 U.S.C. 7502(c)(9)) is amended by adding at the end the following: “Notwithstanding the preceding sentences and any other provision of this Act, such measures shall not be required for any nonattainment area for ozone classified as an Extreme Area.”.

(f) PLAN SUBMISSIONS AND REQUIREMENTS FOR OZONE NONATTAINMENT AREAS.—Section 182 of the Clean Air Act (42 U.S.C. 7511a) is amended—
(1) in subsection (b)(1)(A)(ii)(III), by inserting “and economic feasibility” after “technological achievability”; 
(2) in subsection (c)(2)(B)(ii), by inserting “and economic feasibility” after “technological achievability”; and 
(3) in paragraph (5) of subsection (c), by striking “, if the State demonstrates to the satisfaction of the Administrator that—” and all that follows through the end of the paragraph and inserting a period.
(g) Plan Revisions for Milestones for Particular Matter Nonattainment Areas.—Section 189(c)(1) of the Clean Air Act (42 U.S.C. 7513a(c)(1)) is amended by inserting “, which take into account technological achievability and economic feasibility,” before “and which demonstrate reasonable further progress”.
(h) Exceptional Events.—Section 319(b)(1)(B) of the Clean Air Act (42 U.S.C. 7619(b)(1)(B)) is amended—

(1) in clause (i)—
(A) by striking “(i) stagnation of air masses or” and inserting “(i)(I) ordinarily occurring stagnation of air masses or (II)”; and 
(B) by inserting “or” after the semicolon;
(2) by striking clause (ii); and

(3) by redesignating clause (iii) as clause (ii).

(i) REPORT ON EMISSIONS EMANATING FROM OUTSIDE THE UNITED STATES.—Not later than 24 months after the date of enactment of this Act, the Administrator, in consultation with States, shall submit to the Congress a report on—

   (1) the extent to which foreign sources of air pollution, including emissions from sources located outside North America, impact—

      (A) designations of areas (or portions thereof) as nonattainment, attainment, or unclassifiable under section 107(d) of the Clean Air Act (42 U.S.C. 7407(d)); and

      (B) attainment and maintenance of national ambient air quality standards;

(2) the Environmental Protection Agency's procedures and timelines for disposing of petitions submitted pursuant to section 179B(b) of the Clean Air Act (42 U.S.C. 7509a(b));

(3) the total number of petitions received by the Agency pursuant to such section 179B(b), and for each such petition the date initially submitted and the date of final disposition by the Agency; and
(4) whether the Administrator recommends any statutory changes to facilitate the more efficient review and disposition of petitions submitted pursuant to such section 179B(b).

SEC. 4. DEFINITIONS.

In this Act:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) BEST AVAILABLE CONTROL TECHNOLOGY.—The term "best available control technology" has the meaning given to that term in section 169(3) of the Clean Air Act (42 U.S.C. 7479(3)).

(3) LOWEST ACHIEVABLE EMISSION RATE.—The term "lowest achievable emission rate" has the meaning given to that term in section 171(3) of the Clean Air Act (42 U.S.C. 7501(3)).

(4) NATIONAL AMBIENT AIR QUALITY STANDARD.—The term "national ambient air quality standard" means a national ambient air quality standard promulgated under section 109 of the Clean Air Act (42 U.S.C. 7409).

(5) PRECONSTRUCTION PERMIT.—The term "preconstruction permit"—
(A) means a permit that is required under part C or D of title I of the Clean Air Act (42 U.S.C. 7470 et seq.) for the construction or modification of a major emitting facility or major stationary source; and

(B) includes any such permit issued by the Environmental Protection Agency or a State, local, or tribal permitting authority.

**BACKGROUND:** The Home Rule Advisory Group (HRAG) usually meets on the third Wednesday of each month and is Chaired by Governing Board Member Dr. Joseph Lyou. As required by Governing Board Resolution, the HRAG shall give a monthly summary to the Stationary Source & Legislative Committees. Following is a summary of the May 18, 2016 meeting.

### REPORT CONTENT

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>DESCRIPTION</th>
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<tr>
<td>Legislative Update</td>
<td><strong>AB 1657 (O’Donnell) Air Pollution: Public Ports and Intermodal Terminals</strong> - would establish the Zero- and Near-Zero Emission Intermodal Terminals Program, administered by CARB, to fund equipment upgrades and investments at intermodal terminals to help transition the state’s freight system to a zero- and near-zero emission operation. The Legislative Committee continued this bill to the June Legislative Committee agenda.</td>
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<td><strong>AB 1691 (Gipson, Garcia) Vehicular Air Pollution: Vehicle Retirement</strong> - would place additional provisions into the Enhanced Fleet Modernization Program (EFMP). The bill requires CARB to update the EFMP guidelines by June 30, 2017 and would remain operative until July 1, 2022. The Legislative Committee adopted a position of <strong>SUPPORT WITH AMENDMENTS</strong> regarding this bill.</td>
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<td><strong>AB 1965 (Cooper) Vehicle Retirement and Replacement</strong> – would require CARB, in consultation with the California Bureau of Automotive Repair, to set specific, measurable goals for the retirement and replacement of passenger vehicles and light-duty and medium-duty trucks that are high polluters. The Legislative Committee adopted a position of <strong>SUPPORT WITH AMENDMENTS</strong> regarding this bill.</td>
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<td><strong>AB 2293 (Garcia) California Green Business Program and Green Assistance Program</strong> - would create the Green Assistance Program to provide technical assistance to small businesses and non-profits to access programs funded by the Greenhouse Gas Reduction Fund (GGRF). This bill would also establish the California Green Business Program to provide assistance to green business certification programs by local governments The Legislative Committee adopted a position of <strong>SUPPORT</strong> regarding this bill.</td>
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<td><strong>AB 2415 (Garcia) California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program</strong> – would revise the Clean Truck Program to require enhanced funding to support the commercial deployment of existing heavy-duty truck technologies that meet low NOx emission standards. The Legislative Committee adopted a position of <strong>SUPPORT WITH AMENDMENTS</strong> regarding this bill.</td>
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<td><strong>SB 1043 (Allen) Biogas and Biomethane</strong> – would require CARB to consider adopting policies to significantly increase the sustainable production and use of biogas in California. The Legislative Committee adopted a position of <strong>SUPPORT</strong> regarding this bill.</td>
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<td><strong>SB 1387 (De León) Nonvehicular Air Pollution: Market-based Incentive Programs: South Coast Air Quality Management District Board</strong> – would expand the SCAQMD Governing Board by three additional members intended to represent</td>
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environmental justice communities; and would alter requirements for revisions to the SCAQMD’s RECLAIM program and grants CARB greater oversight authority. The Legislative Committee adopted a position of **WATCH AND EXPRESS CONCERNS AND/OR SEEK AMENDMENTS TO OVERSIGHT PORTION OF BILL** regarding this bill.

**Discussion**

**AB 2293**

Bill LaMarr inquired about the definition of a small business. AB 2293 refers to funding for small businesses. The AQMD has three different definitions of a small business, depending on what rule or service is asked for. Philip Crabbe replied that these bills are changing state law. No definitions are provided in this bill, but at some point there is going to have to be a determination made of who would be helped by these funds if this bill passes. Bill LaMarr suggested that maybe AQMD legislative affairs staff could get clarification from the bill author, because it could become a big issue in the future. Philip Crabbe indicated that he would do this.

Dr. Lyu asked how many ways state government defines a small business. Bill LaMarr indicated that different agencies have different definitions. Dr. Philip Fine indicated that staff is looking into this because of possible fee implications.

**AB 1387**

Bill LaMarr inquired about AB 1387. At the Legislative Committee meeting, SCAQMD staff had suggested a watch position, but by the end of discussion he was unsure about SCAQMD’s position. Philip Crabbe clarified that SCAQMD’s position is a watch for the entire bill. For the oversight portion, SCAQMD’s concerns will be expressed and lead to potentially seeking amendments. Dr. Lyu inquired if there was much conversation on CARB’s existing authority. Philip Crabbe replied there was discussion about how much oversight CARB currently has. Dr. Lyu commented in the Health & Safety Code, is very explicit and he does not think it could be interpreted many ways. Dr. Philip Fine indicated that Barbara Baird discussed this at the meeting in detail, and there is a slight disagreement between our legal staff and CARB’s interpretation of what the provisions say. William Wong indicated that clarification would need to be made regarding the findings that are listed in the Health & Safety Code each time RECLAIM rules are amended. Dr. Philip Fine indicated that there was also a Board consultation process in existing law and it was unclear how this bill affects that. Dr. Lyu commented there are sections of the Health & Safety Code that indicate that CARB has the authority to write rules and the District has to implement them. Bill Wong indicated that CARB has exercised this authority once or twice before.

**Litigation Update**

William Wong commented that one case was added to the litigation status report, it is the public records act challenge in court regarding the Aliso Canyon incident. We have produced documents on a rolling basis and have already provided over 3,200 documents. This is an ongoing and intensive effort. Other cases are still on-going.

**Discussion**

Curtis Coleman noted in the report oral arguments were held on a couple of cases last week, specifically the Medical Advocates case. William Wong replied there is no
sense from the oral argument whether it is a winner or not, but feels optimistic.

Art Montez inquired if there were any environmental justice community legal cases. William Wong replied that we do have a number of lawsuits filed against EPA by the environmental community. Dr. Lyou noted that case #2 includes Communities for a Better Environment, this is an environmental justice organization. The case with Moreno Valley involves environmental justice organizations, and possibly case #7 too. Dr. Lyou indicated many of the cases are by groups who used to participate in workshops and working groups, but are now spending their time in lawsuits.

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<th>EPA and Federal Activities</th>
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<th>CARB Regulatory Activities</th>
<th>Chris Gallenstein reported their Board Hearing will be on May 19, 2016 and there is one regulatory item going to the Board.</th>
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<td>- Proposed Short-Lived Climate Pollutant (SLCP) Reduction Strategy (first of two planned hearings)</td>
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<td>On May 16, 2016, CARB released their Strategies for Reducing Mobile Source Emissions. By 2030, the strategy outlines the intent to decrease smog forming emissions (8%), greenhouse gases (45%), petroleum usage (50%) and diesel PM (45%). There are a number of ways that these emission reductions can be achieved and they are outlined in the document. A link can be provided if there are questions, or CARB staff can be available to address questions at next month’s meeting. Dr. Lyou indicated this subject is on the Mobile Source Committee agenda for Friday (May 20, 2016).</td>
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**Discussion**

David Rothbart inquired about the enforceability of the different control measures that CARB has committed to bring to their Board. Is this the thought process of CARB to make sure this is carried through? Chris Gallenstein replied this was how he understands it. The measures for reduction will come to the Board as distinct measures. Dr. Lyou commented there are many regulatory items and measures to convince EPA to act, as well as commitments from international, maritime, agencies and organizations. It is not only about what CARB will do. Included are regulatory measures and date ranges for adoption of amendments or new regulations for mobile source reductions. Portions could be quantified and put into an Air Quality Management Plan. Dr. Philip Fine clarified that it will not be part of a State Implementation Plan (SIP), until it goes to the CARB Board as a SIP, and is submitted to EPA as a SIP. CARB’s strategy is a statewide policy document. The companion document is the State’s SIP strategy, which is then incorporated into the San Joaquin and SCAQMD SIPs. Once it is submitted and approved by USEPA, it becomes federally enforceable. At the last AQMP Advisory Group meeting, guidance was received from EPA on how to get credit for voluntary incentive measures in a SIP. There are a whole series of elements and commitments that need to be made. The approvability will be part of the SIP approval process at the EPA level.

Chris Gallenstein added that in CARB’s document, there are implementation milestones, timelines and schedules. Funding and incentives are identified, as well as
Bill LaMarr remarked that the AQMP goes to the SCAQMD Board in December, and CARB’s action on the SIP is going to be in 2017. Dr. Philip Fine indicated that in the past we have implemented a parallel approval process. There may be additional issues or amendments that can be addressed afterwards, but once CARB submits it, they are indicating approval of the California SIP submission.

Dr. Lyou opened it up to the HRAG members and inquired if they wanted more details at next month’s HRAG meeting. Dr. Philip Fine commented there is a CARB presentation at Friday’s Mobile Source Committee meeting, and at next month’s AQMP Advisory meeting. Dr. Lyou encouraged members to come to Friday’s presentation.

### Consensus Building
There was no report.

### Subcommittee Status Reports

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<th><strong>A. Freight Sustainability (Noel Muyco)</strong></th>
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<td>On May 3, 2016 State agency leaders released the Draft California Sustainable Freight Action Plan. The plan is out for public comments, which are due by July 6, 2016. In response to Governor Brown’s Executive Order B-32-15, this plan calls for a single integrated action plan for California. The agencies involved are California State Transportation Agency, Cal EPA, Natural Resources Agency, CARB, California Department of Transportation, California Energy Commission and Governor’s Office of Business and Economic Development with stakeholder input. State agencies have been directed to pursue a shared vision to improve freight efficiency, transition to zero-emission technologies and increase the competitiveness of California’s freight system. The plan outlines a foundation for modernizing California’s multi-billion dollar freight transportation system.</td>
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Dr. Lyou reminded members that today South Coast Air Quality Management District is co-hosting a Medium and Heavy Duty Freight Issues Symposium.

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<th><strong>B. Small Business Considerations (Bill LaMarr)</strong></th>
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<th><strong>C. Environmental Justice (Curt Coleman)</strong></th>
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Dr. Lyou reminded members of the quarterly Environmental Justice Advisory Group meetings, and remarked that at the last Board meeting there was discussion about expanding the Clean Communities Plan to include Eastern Coachella and yet to be determined portions of Orange County.

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<th><strong>D. New Source Review (Bill Quinn)</strong></th>
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<th><strong>E. Climate Change (David Rothbart)</strong></th>
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<td>The Climate Pollution Reduction Strategy will be heard in Sacramento on May 19, 2016. Implementation of this strategy could cost billions of dollars. There is a strategy</td>
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for handling waste by taking the organics out of the landfills and dairy applications. Funding will be a key factor for implementation.

**Discussion**

Bill LaMarr indicated that he had an AQMP question. He commented that under the socio economic analysis, control measures are listed with many TBDs and some involve incentives. Will this money be identified and committed? Dr. Philip Fine replied that staff is working on this, and there is already a certain amount of money that has been committed towards getting SIP credit for incentive measures, such as Carl Moyer authorization through 2025 and possible cap-and-trade funding from CARB. An enforceable commitment could help direct some of the money. In the plan, we will outline the costs and identify existing and potential funding sources.

Art Montez inquired if the cap-and-trade revenue is collected locally or statewide, and whether this money is intended for communities that get impacted by power plants and environmental justice communities. We end up with facilities that no one else wants in our communities, should there be equal distribution? The burden should not only be with SCAQMD, but also with the cities who are collecting the sewer and trash fees. What about the active brokers between Los Angeles and Orange, for landfills? In Riverside and San Bernardino, portions of landfills are being sold. Industries profit from this and can some of these fees be equally distributed? Should that not be equity here? Dr. Philip Fine replied that the cap-and-trade program is statewide and the funding is to go towards climate mitigation projects. There needs to be a nexus on what the money is spent on and the actual reduction of GHG emissions. Legislation has allocated money into many areas. According to state law, a certain percentage has to benefit environmental justice or disadvantaged communities. In terms of projects that are going to increase emissions, this is where our local jurisdiction applies. The District has rules and regulations. All new facilities must use BACT, and go through our permitting process. Health risks to neighboring communities are evaluated, and we ensure impacts are minimized. We do not have control on how the State decides to spend this money. Some funds will become available to the District, but with very specific instructions on how it can be spent. Some money must be spent in environmental justice communities.

Art Montez indicated his concern is about the health impacts, not for financial interest. He expressed that it seems like the law is intended for health. Dr. Lyou remarked that the AB 32 climate law is for greenhouse gases emission reductions. However, two laws were passed to assure disadvantaged communities benefit from expenditures. Certainly it was envisioned there would be public health and job co-benefits associated with spending this money in these communities. Dr. Philip Fine commented there is another effort with the adaptive management process in AB 32, which will take a periodic look at decision impacts under the cap-and-trade program to assess and avoid any undue burden on disadvantaged communities.

Art Montez asked if there were maps available to see where these facilities are located and are they correlated with the socio economic data. Dr. Philip Fine replied that we have these maps on our website of every permitted facility in the basin. To get an overlay, we would need to combine the environmental justice database with the
permitted facility database. In terms of funding, these are CARB decisions and not the AQMD’s. CARB knows where all the facilities are located with CalEnviroScreen and the cap-and-trade facilities. CARB presentations have been made to AQMD and we may be able to locate CARBs adaptive management process information and mapping tools.

David Rothbart inquired about Section 185 penalties. If we start putting all of these programs in the SIP, what are the consequences down the road for stationary sources? Dr. Philip Fine commented that we have built up a balance in the Section 185 account. The real answer is get to attainment of the standards that triggered the fees. Right now the main trigger is the one-hour standard. Our AQMP is showing that we will be very close in meeting that standard in 2022, without too many additional measures.

| Report from and to the Stationary Source Committee | The following items were discussed at the Stationary Source Committee meeting on April 15, 2016:
  * Rule 1110.2 Amendment
  * 2016 AQMP Draft Stationary Control Measures
  * Update on ExxonMobil Restart

  On the agenda for this Friday, May 20, 2016, is the following presentation.
  * Southern California Gas Underground Natural Gas Storage Facilities

  **Discussion**
  Noel Muyco inquired if the AQMP release is still on schedule. Dr. Phil Fine replied that staff is working hard and anticipates a release in mid-June 2016. |

| Other Business/Public Comments | There were no comments. |

| Next meeting | The next meeting of the Home Rule Advisory Group is scheduled for June 8, 2016 at 10:00 a.m. and will be held at SCAQMD in Conference Room CC-8. |

| 2016 Meeting Schedule | The following meetings are scheduled to begin at 10:00 a.m. and will be held at SCAQMD in Conference Room CC-8:
January 20
February 17
March 23
April 20
May 18
June 8
July 20
August-Dark
September 21
October 19
November 16
December 14 |