

BOARD MEETING DATE: March 2, 2018

AGENDA NO. 25A

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, February 9, 2018. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
Proposed Sales Tax Increase Legislative Concept for Approval	Continue This Item Until a Future Meeting; Pending Approval of a Draft Public Survey
Proposed Public Fleet Rule Legislative Proposal and Draft Language for Approval	Sponsor in Concept With Amendments to Draft Language
Proposed Amendments to 2018 SCAQMD State and Federal Legislative Goals and Objectives	Continue This Item Until Next Meeting
Proposed Public Notice Requirements Modernization Draft Bill Language for Approval	Approve

RECOMMENDED ACTION:

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

Judith Mitchell, Chair
Legislative Committee

DJA:PFC:MJK:jns

Committee Members

Present: Mayor Pro-Tem Judith Mitchell/Chair, Dr. William A. Burke (videoconference), Supervisor Shawn Nelson (videoconference), Dr. Clarke E. Parker, Sr. (videoconference), and Supervisor Janice Rutherford (videoconference).

Absent: Council Member Joe Buscaino/Vice Chair

Call to Order

Chair Mitchell called the meeting to order at 9:05 a.m.

DISCUSSION ITEMS:

1. Update on Federal Legislative Issues

SCAQMD's federal legislative consultants (Carmen Group, Cassidy & Associates, and Kadesh & Associates) each provided a written report on various key Washington, D.C. issues. Mr. Gary Hoitsma of the Carmen Group, Ms. Amelia Jenkins of Cassidy & Associates and Mr. Mark Kadesh of Kadesh & Associates gave verbal updates as well.

Mr. Hoitsma reported that the federal government averted another governmental shutdown because Congress passed a continuing resolution that would allow for appropriations through March 23. There was also a large two-year budget deal agreed to, which increases spending cap authorizations for defense and non-defense items, and has a lengthy list of tax extenders including energy-related items, such as electric vehicles, bio-fuels, fuel cells, alternative fuels, and renewables.

Mr. Hoitsma stated that the Administration is likely going to come out with its overall budget proposal, which earmarks \$20 billion dollars for infrastructure over the next two years.

Mr. Hoitsma also informed the Committee that he had attended a presentation by Mr. Bill Wehrum, the Assistant Administrator for the Office of Air and Radiation at the U.S. EPA. Mr. Wehrum's position on the California waiver was that he preferred one policy for the nation, but that currently, he had no plans to modify the waiver.

Mr. Hoitsma reported that there is still no chairperson for the White House Council on Environmental Quality. Ms. Kathleen Hartnett White had been previously nominated, but had to withdraw her name from consideration due to political opposition. Overall, the slow progress of nominations for positions within the Administration is still a concern.

In response to an inquiry from Dr. Burke, Mr. Wayne Nastri, Executive Officer, stated that any U.S. Senator can hold up a nomination unless a special dispensation is passed that allows for a nomination to be confirmed solely by a majority vote, which the U.S. Senate is reluctant to do.

Ms. Jenkins stated that the Senate Energy and Natural Resources Committee will take up energy legislation in the next Congressional work period. The Vehicle Innovation Act is included within that legislation, and is of interest to SCAQMD.

Mr. Kadesh reported that the FY19 budget is expected to be released by President Trump next week, and that will start the FY19 appropriations process, during which SCAQMD will be working to protect and promote its policy priorities, such as

Diesel Emission Reduction Act (DERA) Program funding, Sections 103 and 105 grants, and Targeted Airshed Grants.

2. Update on State Legislative Issues

SCAQMD's state legislative consultants (The Quintana Cruz Company, California Advisors, LLC, and Joe A. Gonsalves & Son) provided written reports on various key issues in Sacramento.

Mr. Paul Gonsalves of Joe A. Gonsalves & Son, Mr. Will Gonzalez of California Advisors, LLC, and Ms. Caity Maple of The Quintana Cruz Company also gave verbal updates at the meeting.

Mr. Gonsalves reported that the deadline to introduce new legislation is Friday, February 16, and that all new bills must be in print for 30 days prior to being heard in committee. Consequently, most newly introduced bills will be eligible to be heard in policy committees around March 16. However, March 22 through April 2 is spring recess for the Legislature; thus, most bills will not be heard in committee until the beginning of April.

Mr. Gonzalez reported on meetings occurring almost weekly by SCAQMD staff and consultants with Assembly and Senate leadership, as well as the Governor's Office regarding funding sources that could help fund the implementation of the AQMP, including the Greenhouse Gas Reduction Fund (GGRF). Also of note, Assembly Member Rudy Salas introduced a bill, AB 2008, which would exempt Carl Moyer Program grants from being counted as state taxable income to the recipient.

Ms. Maple reported that Mr. Quintana met with the environmental staff person for incoming Senate President Pro Tem Toni Atkins and that various SCAQMD policy priorities were discussed, including the need for ongoing AB 617 funding for air districts.

ACTION ITEMS:

3. Proposed Sales Tax Increase Legislative Concept for Approval

Mr. Philip Crabbe, Community Relations Manager, presented this proposed legislative concept. The South Coast Air Basin has among the worst air quality in the nation and is in extreme nonattainment for ozone. The AQMP addresses this problem, but requires substantial and sustainable funding in order to improve air quality to levels that meet federal rules and reduce significant public health risks. This bill proposal would seek authorization from the Legislature to put a quarter-cent sales tax increase proposal on the ballot for voter approval within the South Coast Air District. Mr. Crabbe noted that the bill would not directly create a ballot

measure, and that it would only be an authorization bill to allow either Board action or the voter-driven initiative process to put this proposal on the ballot. Ultimately, this proposal could generate a significant amount of funding for air quality efforts, in support of the AQMP. A large portion of this funding would go to providing incentives to promote the development and deployment of clean technology, and facilitate fleet turnover from dirty, heavy-duty diesel trucks and other vehicles, to cleaner alternatives.

In response to an inquiry from Dr. Parker, Mr. Nastri stated that the measure would likely be in effect for 20 to 40 years.

Supervisor Nelson expressed concerns over a sales tax increase within the South Coast district, the sales tax cap in SCAQMD's counties, how sales tax increases would affect low-income households, and whether Los Angeles County could out-vote other counties if this measure was ultimately placed on the ballot. A discussion regarding these issues ensued.

In response to a question by Supervisor Nelson regarding polling the residents of the South Coast region on this issue, Mr. Nastri responded that staff is working on a draft survey regarding the sales tax authorization measure, and residents within SCAQMD's four-county jurisdiction will be contacted and polled as part of this process. Supervisor Nelson requested that this draft survey be reviewed by the Legislative Committee for discussion and approval at its next meeting. Once the public survey results are received, the Legislative Committee can further consider this legislative proposal.

A discussion followed regarding concerns over meeting the new bill introduction deadline in the state Legislature and possible legislative options for moving forward after that deadline.

The Committee recommended bringing the draft public survey relating to the proposed sales tax measure before the Legislative Committee at its next meeting for review and approval, in order to subsequently move forward with implementing the polling of the public on this issue, and to consider this bill proposal at a later time. Supervisor Nelson also expressed his desire that this issue come before the full Board for a thorough discussion before further action.

4. Proposed Public Fleet Rule Legislative Proposal and Draft Language for Approval

Mr. Crabbe presented this legislative proposal and draft language to the Committee. As part of the 2016 AQMP, the Board directed staff to seek legislative authority to authorize SCAQMD to require the accelerated purchase and use of near-zero and zero emission heavy-duty on-road vehicles for public fleets within the South Coast.

This bill would not directly create a rule, but would simply secure legislative authorization for SCAQMD to go through the local rulemaking process on this issue, taking into account stakeholder comment and input.

Supervisor Rutherford requested changes to the proposed bill language that would consider operational needs and vehicle life. A discussion ensued regarding Supervisor Rutherford's requested changes and possible modifications to the requested changes.

The Committee recommended a position of SPONSOR IN CONCEPT WITH AMENDMENTS TO DRAFT LANGUAGE on this item.

Moved by Burke; seconded by Nelson; unanimously approved

Ayes: Burke, Mitchell, Nelson, Parker, Rutherford

Noes: None

Abstain: None

Absent: Buscaino

5. Proposed Amendments to 2018 SCAQMD State and Federal Legislative Goals and Objectives

The Legislative Committee continued this item until its next regular meeting.

6. Proposed Public Notice Requirements Modernization Draft Bill Language for Approval

Ms. Monika Kim, Legislative Assistant, presented the proposed public notice requirements modernization draft bill language to the Committee. Last month, the Legislative Committee approved a legislative proposal regarding the modernization of current public notice requirements for the South Coast region. Staff drafted legislative language, including amendments to three different code sections, for Committee approval.

Staff recommended a position of APPROVE on this item.

Moved by Parker; seconded by Nelson; unanimously approved

Ayes: Burke, Mitchell, Nelson, Parker, Rutherford

Noes: None

Abstain: None

Absent: Buscaino

OTHER MATTERS:

7. Other Business

There was no other business.

8. Public Comment Period

There were no public comments.

9. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, March 9, 2018 at 9:00 a.m.

Adjournment

The meeting adjourned at 10:15 a.m.

Attachments

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports
4. Proposed Sales Tax Increase Legislative Concept for Approval
5. Proposed Public Fleet Rule Legislative Proposal and Draft Language for Approval
6. Proposed Amendments to 2018 SCAQMD State and Federal Legislative Goals and Objectives
7. Proposed Public Notice Requirements Modernization Draft Bill Language for Approval

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE

Attendance – February 9, 2018

Dr. William A. Burke (videoconference)	SCAQMD Board Member
Supervisor Shawn Nelson (videoconference)	SCAQMD Board Member
Mayor Pro Tem Judith Mitchell	SCAQMD Board Member
Dr. Clark E. Parker, Sr. (videoconference)	SCAQMD Board Member
Supervisor Janice Rutherford (videoconference)	SCAQMD Board Member
Mark Abramowitz	Board Consultant (Lyou)
David Czamanske	Board Consultant (Cacciotti)
Ron Ketcham	Board Consultant (McCallon)
Andrew Silva	Board Consultant (Rutherford)
Gary Hoitsma (teleconference)	The Carmen Group
Amelia Jenkins (teleconference)	Cassidy & Associates
Kaleb Froehlich (teleconference)	Cassidy & Associates
Mark Kadesh (teleconference)	Kadesh & Associates
Paul Gonsalves (teleconference)	Joe A. Gonsalves & Son
Will Gonzalez (teleconference)	California Advisors, LLC
Caity Maple (teleconference)	The Quintana Cruz Company
Tom Gross	Southern California Edison
Bill LaMarr	California Small Business Alliance
Rita Loof	RadTech
David Rothbart	Los Angeles County Sanitation Districts
Susan Stark	Andeavor
Peter Whittingham	Whittingham PAA
Derrick Alatorre	SCAQMD Staff
Leor Alpern	SCAQMD Staff
Debra Ashby	SCAQMD Staff
Philip Barroca	SCAQMD Staff
Barbara Baird	SCAQMD Staff
Philip Crabbe	SCAQMD Staff
Philip Fine	SCAQMD Staff
Gloria Garcia	SCAQMD Staff
Monika Kim	SCAQMD Staff
Megan Lorenz	SCAQMD Staff
Ian McMillan	SCAQMD Staff
Matt Miyasato	SCAQMD Staff
Ron Moskowitz	SCAQMD Staff
Wayne Nastri	SCAQMD Staff
Robert Paud	SCAQMD Staff
Zorik Pirveysian	SCAQMD Staff
Mary Reichert	SCAQMD Staff
Jeanette Short	SCAQMD Staff
Danielle Soto	SCAQMD Staff
Lisa Tanaka O'Malley	SCAQMD Staff
Laki Tisopulos	SCAQMD Staff
Todd Warden	SCAQMD Staff
Kim White	SCAQMD Staff
Jill Whynot	SCAQMD Staff



Carmen Group
I N C O R P O R A T E D

ATTACHMENT 2

MEMORANDUM

TO: South Coast AQMD Legislative Committee

FROM: Carmen Group

Date: January 25, 2018

Re: Federal Update – Executive Branch

Infrastructure Update: The Trump Administration continues to work on preparing its final draft infrastructure plan for public release which is now expected to be sometime in mid-February in conjunction with the unveiling of the President’s annual budget proposal. In January, a six-page outline of infrastructure “funding principles” was leaked to the media, but it lacked the kind of details and specificity that key members of Congress and others are looking for, only adding to a sense of frustration that many Members feel, not knowing what the core proposal on direct federal spending will look like. Meantime in offhand remarks to some local officials, Trump suggested his final plan might spark up to \$1.7 trillion in infrastructure investment over ten years, a number significantly higher than the \$1 trillion he has talked about before, only further raising speculation about how he will propose to pay for it. In addition, Trump in January again opened the door to a possible restoration of Congressional project earmarks, a suggestion that gets mixed reviews on Capitol Hill...but might win some support as a proven mechanism to help secure needed votes difficult issues.

Department of Energy Issues Fuel Cell Technologies Market Report 2016: “For fuels cells and hydrogen, 2016 was a notable year on many fronts. Fuel cells and hydrogen continue to expand in existing markets and made inroads into new areas. Ongoing research, development and demonstration projects examined additional uses for fuels cells and hydrogen, such as ground support equipment, drayage trucks, and energy storage.”

Depart of Energy Appointment: Chanette Armstrong was named to serve as the Director of the Office of Technology Transitions, overseeing the DOE’s Energy Investor Center, the Technology Commercialization Fund, and the coordination of technology transfer activities across the DOE complex. She will implement DOE’s efforts to spur innovation and to advance the commercialization of early stage energy technologies from the lab to the marketplace. A patent attorney, she holds a BS in electrical engineering from Carnegie-Mellon University, a MBA from Long Island University, and a JD from New Jersey-Rutgers School of Law.

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To: South Coast Air Quality Management District

From: Cassidy & Associates

Date: January 25, 2018

Re: Federal Update – U.S. House of Representatives

Issues of Interest to SCAQMD

General Update:

The beginning of the 2nd Session of the 115th Congress was marked by government shutdown. The government shutdown lasted three days, with lawmakers reaching a deal to pass a short term continuing resolution through February 8th. Integral to the deal was a commitment between Sen. McConnell and Sen. Schumer to hold a vote on DACA.

The staff of the Senate Energy and Natural Resources Committee have been speaking about the possibility of the Senate considering a broad energy and natural resource policy bill. The energy bill is an offshoot of a nearly identical measure that flopped at the finish line of the last Congress. Senator McConnell, via Rule XIV, placed this measure directly on the Senate's legislative calendar in June 2017. To get the legislation to the floor and through the House, however, would be a heavy lift. House lawmakers have so far seemed reluctant to pull together a comprehensive bipartisan energy package, choosing instead to advance some individual policies that for the most part drew only GOP votes.

The 2018 midterm election is looming over all aspects of policy on Capitol Hill.. With control of both chambers at stake in the midterm elections, Republicans will use their unified control of the federal government to make a pitch to voters to keep them in office. The closer you get to the election, the harder it will become for Trump and congressional Republicans to make any deals with congressional Democrats.

Budget and Appropriations Update

As mentioned above, Congress began the year with a failure to reach agreement on a temporary spending bill which resulted in a short government shutdown. Now the government is operating under another continuing resolution until February 8th. The President is expected to release his Fiscal Year 2019 budget on Monday, February 12, which was delayed for one week (originally scheduled for February 5th) by the lapse in appropriations. We currently expect OMB Director Mulvaney to testify on February 13th.

After the Fiscal Year 2018 spending bills are finished, the House and Senate Budget Committees are still expected to consider a Fiscal Year 2019 budget resolution which sets the conditions for the next round of appropriation bills as well as new reconciliation instructions. However the addition of Doug Jones (D-Alabama) in the Senate could make Senator McConnell's task in corralling the votes for the budget resolution an enormous task.

Comprehensive Energy Bill Update:

As noted above, Chairman Lisa Murkowski (R-AK) continues to look for opportunities to advance the bipartisan energy package, S. 1460, that largely mirrors the bill that passed the Senate last Congress. The legislation has been pending on the Senate floor for months, but can be brought up at anytime by Majority Leader Mitch McConnell.

Senator Murkowski has indicated that she would push for the legislation to come forward in late January or February as it remains a broadly supported piece of legislation. The prospect of moving energy legislation has been clouded by a recent proposal by the Trump Administration to open coastal areas in California and other states for oil and gas drilling. Immediately following this announcement, Interior Secretary Zinke met with Florida Governor Scott to announce that Florida would be exempted from the drilling proposal. This leaves other states seeking legislative vehicles, like an energy bill, to ban drilling from their coastal areas.

Infrastructure Legislation:

A leaked six-page summary of the Administration's infrastructure plan provided the first glimpse of the Trump Administration's priorities for an infrastructure package. Much of the six-page draft focused on creating incentives for private funding of highway, transit, water, and air infrastructure. There was no mention or reference to air quality consideration in the six-page summary. It is our understanding that there are ongoing discussions in the Administration regarding targeted waivers of the Clean Air Act that might be included in the package. This is the first in many steps towards an enacted bill. We expect Congress to hold extensive hearing on this proposal and other policies proposed by individual members in the House and Senate.

Bill Wehrum & California Waiver:

On January 25th at the Washington Auto Show, Bill Wehrum (head of the Environmental Protection Agency's Office of Air and Radiation) made remarks on fuel economy/emissions standard for automobiles. Wehrum stated that while he has "no interest whatsoever in withdrawing California's authority to regulate" that they have "heard loud and clear that having one national program is really important." This seems to indicate the desire/hope of the EPA to have California's concurrence on a proposal which would harmonize the EPA and NHTSA standards.

SCAQMD
February 2018 Legislative Committee Board Meeting Report covering January 2018
Kadesh & Associates

Overview:

January was dominated with a budget impasse leading to the expiration of the Continuing Resolution on January 20 and a three-day federal government shutdown. Budget negotiations broke down over the issues of how to resolve the DACA issue and questions over the amount of funding for and nature of border security features. The government is operating on another CR which will expire on February 8, 2018. The Omnibus remains unresolved (the Senate and House did not establish a joint overall budget topline so cannot commence/complete their FY18 appropriations business), thus leaving the Omnibus open as a potential vehicle for language on the Glider issue as well as containing the funding levels that we seek on DERA and TAS.

The other relevant event in January was the release/leak of a six-page outline of the Administration's Infrastructure package. Quick analysis found much promising programmatic potential, but no specific funding sources were identified. The proposal was lacking in the specific mention of mitigation, DERA and air issues generally. Clearly, whatever the Administration proposes, how Congress disposes of it will be critical to achieving AQMD's goals for the Infrastructure package.

Finally, development and delivery of joint letters of invitation to Rep. Ken Calvert and EPA Administrator Scott Pruitt was achieved and follow-on contact with Rep. Calvert's office as to scheduling was made.

Activities summary:

- In conjunction with AQMD staff, developed and delivered letters of invitation to Rep. Ken Calvert and EPA Administrator Scott Pruitt for a joint visit to the Port of LA and Long Beach and AQMD in the first or second quarter of 2018.
- In conjunction with AQMD staff (and in response to Senate EPW staff), we are finalizing a list of infrastructure-related projects and technologies which can achieve AQMD goals and also work within legislative/executive authorizing/appropriating formats and programs.
- Continued to monitor the EPA "Glider" regulatory issue as it relates to the DERA Program and diesel truck retrofit. The Senate Interior Appropriations "Chairman's mark" legislation included language related to the Glider issue.
- Identify and seek out cosponsors for H.R. 3682, the Blue Whales and Blue Skies Act by Rep. Lowenthal (D-CA) and H.R. 3107, the Diesel Emissions Reduction Act of 2017 by Rep. Poe (R-TX).
- Continued to monitor and pass on relevant legislation of interest to AQMD.
- Participated in regular conference call with subsequent follow up assignments.
- Answered specific questions from AQMD staff.
- Kept staff updated as to legislative changes, committee assignments and confirmations.
- Monitored and shared updates on Administration regarding budget, appropriations, Interior, EPA, transportation, and environmental policies and personnel.

INFRASTRUCTURE (As of 1-26-18, per published sources):

Trump to mention issue during State of the Union speech, but release plan later; Top White House adviser signals openness to negotiate with Congress on details; Plan won't detail how infrastructure will be paid for, adviser says.

The president will mention the issue in the Jan. 30 State of the Union address and then release the full plan to Congress “one to two weeks” later, per DJ Gribbin, a special assistant to President Donald Trump for infrastructure policy. The administration’s goal with the plan is to kickstart \$1 trillion in infrastructure projects and to reduce the time required for the average federal permitting process for these projects to two years, Gribbin said Jan. 25 at a meeting of the U.S. Conference of Mayors in Washington.

The plan will contain a list of suggestions for achieving these two goals, but ultimately the White House would be open to signing off on measures Congress chooses as long as they would accomplish these two aims, he said. “We want to create opportunities for states and local governments to receive federal funding when they’re doing what is politically hard,” Gribbin told the assembled mayors. “We want to fund infrastructure, you decide what to spend it on.”

Funding --

However, the plan will not contain any details about how to pay for the infrastructure. That issue will instead be left up to lawmakers. Gribbin did say the White House would not support funding the plan by cutting any core federal infrastructure programs that already exist, such as the Transportation Department’s highway trust fund or the EPA’s state revolving loan funds. The federal government would provide limited new matching funds for infrastructure projects under a draft infrastructure plan obtained by Bloomberg Government and other media outlets on Jan. 22. The plan also proposes new funding for rural infrastructure, expansion of federal credit programs, and enhancements to private activity bonds. President Donald Trump promised to invest \$1 trillion in infrastructure. His fiscal 2018 budget request proposed spending \$200 billion in federal funds over a decade, which would leverage state, local, and private dollars for a total of \$1 trillion. The document doesn’t specify a proposed amount or source of funding. Most of the new programs would be subject to appropriation.

It also doesn’t address the Highway Trust Fund’s long-term insolvency. The fund’s outlays for roads and transit exceed the revenue it collects, primarily from the motor fuels tax. It’s projected to run out of money in fiscal 2021, after being boosted by a five-year infusion from the general fund in the 2015 FAST Act (Public Law 114-94). House Transportation and Infrastructure Committee Chairman Bill Shuster (R-Pa.) said infrastructure will be his top priority for 2018.

Almost half of the plan’s proposed new appropriation would be for an “infrastructure incentives initiative” that would cover as much as 20 percent of the cost of a wide variety of projects, including hydropower, flood control, and contaminated site cleanup. The non-federal partner -- which could include a public utility or non-profit in addition to a state or local government -- would be responsible for finding the rest of the funding. The program would prioritize projects with a new, non-federal, long-term funding source. Another 10 percent would be available for grants -- ranging from 30 percent to 80 percent of eligible costs based on the project stage -- for “transformative” projects, including commercial space, telecommunications, energy, and water in addition to standard infrastructure. Projects would have to include private or nonprofit investors. A quarter of the appropriation would be available for rural infrastructure, including broadband. Projects would have to be in areas with a population of less than 50,000. The plan proposes additional appropriations to expand existing credit programs, and a new account to manage federal infrastructure.

In addition to new programs that would require appropriations, the plan proposes creating an “interior maintenance fund” that would support public lands infrastructure using revenue from drilling and mineral exploration on federal lands and waters. It also proposes an executive order that would let the

federal government dispose of real property, which would “improve the overall allocation of economic resources in infrastructure investment.”

The plan would provide additional funds for existing lending programs for transportation, railroads, water, and rural utilities, which would remain available until 2028. If the plan’s total appropriation was \$200 billion over a decade, it would boost the lending programs’ capacity by \$15 billion. It would expand the potential uses of private activity bonds, which are issued by state and local governments to finance projects conducted with a private partner. It would also lift issuance caps and allow the bonds to be used for advanced refunding, in which issuers take advantage of lower interest rates by refinancing an existing bond issue with a new one. A refunding bond is considered “advance” if it is issued more than 90 days before the redemption of the refunded bond. It’s not clear how the change would work in light of the 2017 tax overhaul law (Public Law 115-97), which eliminated advance refunding bonds’ tax advantages. The document lists additional “principles” for infrastructure, which include a variety of suggested modifications to, or expansions of, existing programs. Legislative or regulatory action would likely be required for many of the changes.

GAS TAX: One potential funding solution putting Republicans in Congress and conservative interest groups at odds is a gas tax. The motor fuels tax -- 18.4 cents per gallon on gasoline and 24.4 cents on diesel -- hasn’t been increased since 1993. Interest groups are hoping to sway the president on the fuels charge, but congressional Republicans are waiting to see where the administration falls on the issue.

CALIFORNIA GAS TAX: Gas tax proponents will find an ally in California Gov. Jerry Brown (D), who said he’ll fight an effort to ask voters in November to repeal a recent gas tax increase. In his final State of the State address, Brown said the 2017 vote in the Legislature to boost the tax was essential to maintaining and improving roads and transit. “Fighting a gas tax may appear to be good politics, but it isn’t,” he said. “I will do everything in my power to defeat any repeal effort that gets on the ballot. You can count on that.” Increased diesel and gas taxes, and new fees on vehicles, are expected to raise \$52.4 billion in new transportation funding over 10 years.

EMISSIONS: California’s authority to craft its own greenhouse gas limits for cars may be preserved -- if the state can find agreement with federal regulators on the future of the standards, U.S. EPA’s top air official says. “I have no interest whatsoever in withdrawing California’s authority to regulate,” Bill Wehrum, head of the EPA’s Office of Air and Radiation, said in remarks yesterday at the Washington Auto Show. “What I want is one national program. If we can all agree on what needs to be done, then we can all go forward.” Wehrum’s remarks came as the EPA nears an April 1 deadline to decide the future of greenhouse gas limits for passenger vehicles. Officials from the Transportation Department and the EPA, including Wehrum, are in talks with California regulators in hopes of reaching a solution amenable to all parties.

Looking ahead ...

Congressional leaders pursuing a deal to lift budget limits on defense and domestic spending and address the DACA issue face a February 8, 2018 deadline that may force them to seek yet another a stopgap funding measure to avert a second election-year government shutdown.

President Trump’s FY19 budget will be sent to Congress one week later than initially planned due to recent govt shutdown. The new expected date of release is February 12.

ATTACHMENT 3



THE
QUINTANA
CRUZ
COMPANY

January 25, 2018

TO: South Coast Air Quality Management District

FROM: The Quintana Cruz Company

RE: January 2018 Report

GENERAL UPDATE:

- The Legislature reconvened on Wednesday, January 3, 2018, beginning the second year of the two-year Session.
- Two-year bills must be passed out of their House of Origin by Wednesday, January 31st.
- The deadline for bills to be introduced is Friday, February 16th.
- This year's Session will wrap up on Friday, August 31st, ending the second year of the two-year Session.
- The General Election is set for November 6, 2018.

POLITICAL ITEMS OF NOTE:

- The atmosphere in the Capitol has palpably changed in recent months due to the #MeToo campaign and to several elected officials being accused of sexual harassment. At this time, two Assemblymembers have resigned due to accusations/charges: Raul Bocanegra and Matt Dababneh. Meanwhile in the Senate, Senator Tony Mendoza took a temporary leave of absence in January while an investigation about accusations of his sexual harassment is being conducted. The Senator is threatening to return to work in the Capitol before the investigation is complete, prompting pro Tem Kevin de Leon to author and the Senate to approve today SR 79, a Resolution allowing the Senate Rules Committee to suspend the Senator with pay.
- Assemblymember Sebastian Ridley-Thomas also resigned due to undisclosed health issues.
- These resignations drastically changes the makeup of the Assembly, as all Assemblymembers are democrats, with Bocanegra and Dababneh categorized as strong moderate democrats. The Assembly democrats have lost the supermajority, and the "mod caucus" will likely be less

influential without two of their most vocal members. Additionally, there has been a shuffle in the membership of Assembly Committees, with members of the Assembly leadership filling in open slots – we believe this to be a temporary holding pattern until new members are elected and then replace those slots in the spring.

- The initiative to recall Senator Josh Newman due to his vote on the gas tax qualified, and the recall election has been set for June 5th, the same day as the statewide primary. June 5th is also the date for special elections to replace the three resigned democratic Assemblymembers, with the primary election set for April 3rd. Governor Brown intentionally set the election date prior to the budget deadline, so that the Assembly democrats will re-achieve super-majority status in time for the impending budget vote.
- Assemblymember Wendy Carrillo began in January, filling the seat of Jimmy Gomez, who is now the congressional representative of California's 34th district. A former journalist, Carrillo's priorities include environmental justice, healthcare, and education. Her district covers the areas of East Los Angeles, Highland Park, Montecito, and Silverlake.
- There is a leadership change in the Senate this year, due to pro Tem Kevin de Leon's run for U.S. Senate as his term in the California State Legislature comes to an end. Pro Tem Kevin de Leon has officially announced that Senator Toni Atkins will take his post in March.

POLICY ITEMS OF NOTE:

- Today Governor Jerry Brown delivered his 16th and final State of the State address. It was extremely optimistic with regard to CA's economy, the progress he has made over the last 8 years and the future for California. True to form, Governor Brown did spend time talking about the environment. Below are excerpts of note:

Here in California, we follow a different path. Enlightened by top scientists at the University of California, Stanford and Caltech, among others, our state has led the way:

- *Building and appliance efficiency standards;*
- *Renewable electricity —reaching 50 percent in just a few years;*
- *A powerful low-carbon fuel standard; Incentives for zero-emission vehicles;*
- *Ambitious policies to reduce short-lived climate pollutants like methane and black carbon;*
- *A UN sponsored climate summit this September in San Francisco; and*
- *The nation's only functioning cap-and-trade system.*

I will shortly provide an expenditure plan for the revenues that the cap-and-trade auctions have generated. Your renewing this program on a bipartisan basis was a major achievement and will ensure that we will have substantial sums to invest in communities all across the state — both urban and agricultural.

The goal is to make our neighborhoods and farms healthier, our vehicles cleaner — zero emission the sooner the better — and all our technologies increasingly lowering their carbon output. To meet our ambitious goals, we will need five million zero-emission vehicles on the road by 2030. Think of all the jobs that will create and how much cleaner our air will be.

When you passed cap-and-trade legislation, you also passed a far-reaching air pollution measure that for the first time focuses on pollutants that disproportionately affect specific neighborhoods. Instead of just measuring pollutants over vast swaths of land, regulators will zero in on those communities which are particularly disadvantaged by trains, trucks or factories.

QUINTANA CRUZ COMPANY ACTION ITEMS:

- We orchestrated a meeting with incoming Senate pro Tem Toni Atkins on Tuesday, January 23rd. We were able to sit down face-to-face with Senator Atkins, introduce Executive Office Wayne Natri directly to the Senator, establishing an introductory dialog surrounding environmental quality and environmental justice issues. During that meeting, Senator Atkins divulged that Deanna Spehn in her District Office was her expert and her “go-to” on all issues that will impact SCAQMD. Our office has preemptively reached out to Deanna, let her know that we represent SCAQMD, and begun establishing a relationship with her.



CALIFORNIA ADVISORS, LLC

SCAQMD Report
California Advisors, LLC
February 9, 2018 Legislative Committee Hearing

General Update

On January 10th, the Governor released his proposed 2018-19 budget. Notably absent was a Greenhouse Gas Reduction Fund (GGRF) spending plan. On January 26th, 2018, Governor Brown issued Executive Order B-48-18 which directs the state to work with private entities to put five million electric vehicles on the road by 2030 and significantly expand vehicle charging infrastructure.

In the Legislature, January 31, 2018 was the last day for two-year bills to be passed out of their houses of origin. After a small flurry of activity leading up to this deadline, there will be a bit of a lull until the final bill introduction deadline of February 17th, 2018. Prior to this deadline we will be solidifying authors and strategy for this year's legislative priorities.

2018-19 Budget Release

On January 10th, 2018 the Governor released his proposed 2018-19 budget. Perhaps to put a finer point on his fiscal success as Governor, he made the point that in 2011 California was facing a budget deficit of \$27 billion. Now, in Governor Brown's final year, California enjoys a budget surplus with the ability to fill the Rainy Day Fund to nearly \$13.5 billion.

AB 617 Implementation Funding

Conspicuously absent from the Governor's proposed budget was a repeat of the \$27 million appropriation to air districts for implementation of the Community Action Plans as directed in last year's AB 617 (C. Garcia). Negotiations with key legislators and the Governor's office regarding this funding are ongoing.

2018 Legislative Priorities

We submitted numerous placeholder bills to the Legislative Counsel's office by the January deadline, on behalf of the District. These "spot bills" were developed in order to provide flexibility to implement the District's 2018 legislative strategy, once it is finalized.

GGRF Spending Plan

Cap and Trade auctions seem to be stabilizing. Many projections consider last year's revenues of approximately \$1.25 billion available for appropriation to be similar to revenues we can expect going forward. In addition to the spending plan in the chart below, the Administration is proposing a new eight-year initiative to continue the state's clean

vehicle rebates and to spur more infrastructure investments. This \$2.5 billion GGRF initiative will help bring 250,000 vehicle charging stations and 200 hydrogen fueling stations to California by 2025.

This year’s GGRF spending plan is as follows:

2018-19 Cap and Trade Expenditure Plan
(Dollars in Millions)

<i>Investment Category</i>	<i>Department</i>	<i>Program</i>	<i>Amount</i>
Air Toxic and Criteria Air Pollutants	Air Resources Board	AB 617 - Community Air Protection	\$250
		Technical Assistance to Community Groups	\$5
Low Carbon Transportation	Air Resources Board	Clean Vehicle Rebate Project	\$175
		Clean Trucks, Buses, & Off-Road Freight Equipment	\$160
		Enhanced Fleet Modernization Program, School Buses & Transportation Equity Projects	\$100
	Energy Commission	Low Carbon Fuel Production	\$25
Climate Smart Agriculture	Air Resources Board	Agricultural Diesel Engine Replacement & Upgrades	\$102
	Energy Commission	Energy Efficiency	\$34
	Department of Food and Agriculture	Healthy Soils	\$5
	Energy Commission	Renewable Energy	\$4
Healthy Forests	CAL FIRE	Healthy & Resilient Forests	\$160
	CalOES	Local Fire Response	\$25
Short-Lived Climate Pollutants	Department of Food and Agriculture	Methane Reduction	\$99
	CalRecycle	Waste Diversion	\$20
Integrated Climate Action: Mitigation & Resilience	Strategic Growth Council	Transformative Climate Communities	\$25
	IBank	California Integrated Climate Investment Program	\$20
	California Conservation Corps	Energy Corps	\$6
Climate and Clean Energy Research	Strategic Growth Council	California Climate Change Technology and Solutions Initiative	\$35
Total			\$1,250



Joe A. Gonsalves & Son

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Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

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Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – January 2018

DATE: Tuesday, January 30, 2018

As you know, the Legislature reconvened the 2018 legislative session on Wednesday, January 3, 2018. During the first month back, the Legislature had more than 1,600 2-year bills to consider from the 2017 legislative session.

BUDGET

On January 10, 2018, Governor Brown proposed a \$131.7 billion General Fund budget for 2018-19 that fills the state's Rainy-Day Fund to its constitutional target, fully implements the state's K-12 school funding formula 2-years ahead of schedule, and provides \$4.6 billion for the first year of a 10-year transportation improvement plan.

Proposition 2, approved by California voters in 2014, established a constitutional goal of reserving 10% of tax revenues in a Rainy-Day Fund. By the end of the fiscal year, the state's Rainy-Day Fund will have a total balance of \$8.4 billion, or 65% of the constitutional target. The budget proposes a \$3.5 billion supplemental payment in addition to the constitutionally required transfer to the Rainy-Day Fund for 2018-19. The 2 payments would bring the total Rainy-Day Fund to \$13.5 billion.

The proposed budget also includes the first full year of funding under the Road Repair and Accountability Act of 2017 (SB 1), which provides funding for both State and local transportation infrastructure. This act provides \$55 billion in new funding over the next 10 years, split evenly between state and local projects. The budget includes \$4.6 billion in new transportation funding, which includes:

- A focus on “fix-it-first” investments to repair neighborhood roads, state highways and bridges (\$2.8 billion).
- Making key investments in trade and commute corridors to support continued economic growth and implement a sustainable freight strategy (\$556 million).
- Matching locally generated funds for high-priority transportation projects (\$200 million).
- Investing in local passenger rail and public transit modernization and improvement (\$721 million).

California continues to work towards a state goal to reduce GHG emissions 40% below 1990 levels by 2030. In July of 2017, Governor Brown signed legislation to extend California’s landmark cap-and-trade program through 2030. Since then, auction proceeds have stabilized and revenues have increased, resulting in \$1.25 billion in cap-and-trade funds available for appropriation in 2018-19. The plan for these funds were announced in conjunction with the Governor’s State of the State Address.

STATE OF THE STATE

On January 25, 2018, Governor Brown delivered his 16th, and final, State of the State address proclaiming that the “bolder path is still our way forward” on climate change, infrastructure investment, health care, education and criminal justice.

The Governor returned repeatedly to themes of broader cooperation and bipartisanship to cure the one-sidedness surging through politics. Governor Brown thanked President Trump for delivering “substantial assistance” following devastating wildfires and other natural disasters. He nodded to Republican U.S. Sens. John McCain, Lisa Murkowski and Susan Collins for voting against a GOP-led effort to repeal the Affordable Care Act. In addition, he praised Republican lawmakers in California for joining him in overhauling the pension and workers’ compensation systems, and for putting up votes to secure a rainy-day budget reserve, a \$7.5 billion water bond, and the extension of the cap-and-trade climate auction program.

To the 8 Republicans who crossed party lines to back his cap-and-trade deal, Governor Brown promised, to applause from the mostly Democratic chamber: “Don’t worry. I got your back.”

Governor Brown was defensive of last year’s \$52 billion gas tax and vehicle license fee increase to pay for road and transit repairs, saying he would do everything in his power to defeat any repeal that qualifies for the November ballot.

Governor Brown is the longest serving governor in California history, having been elected 4 times. It’s a record that can never be broken under term limits. By the end of 2018, Pat or Jerry Brown will have been Governor for 24 of the previous 60 years.

GOVERNOR'S EXECUTIVE ORDER FOR ZERO EMISSION VEHICLES

On January 26, 2018, Governor Brown took action to further California's climate leadership by signing an executive order to boost the supply of zero-emission vehicles and charging and refueling stations in California. The Governor also detailed the new plan for investing \$1.25 billion in cap-and-trade auction proceeds to reduce carbon pollution and improve public health and the environment.

California is taking action to dramatically reduce carbon emissions from transportation. To continue to meet California's climate goals and clean air standards, the State must go even further to accelerate the market for zero-emission vehicles. The Governor's executive order implements a new target of 5 million ZEVs in California by 2030, and will help significantly expand vehicle charging infrastructure.

The Administration is also proposing a new 8-year initiative to continue the state's clean vehicle rebates and spur more infrastructure investments. This \$2.5 billion initiative will help bring 250,000 vehicle charging stations and 200 hydrogen fueling stations to California by 2025.

The Executive Order builds on past efforts to boost zero-emission vehicles, including: adopting the 2016 Zero-Emission Vehicle Plan and the Advanced Clean Cars program; hosting a Zero-Emission Vehicle Summit; launching a multi-state ZEV Action Plan; co-founding the International ZEV Alliance; and issuing Executive Order B-16-12 in 2012 to help bring 1.5 million zero-emission vehicles to California by 2025.

In addition to the Governor's executive order, the Governor also released the 2018 plan for California's Climate Investments, a statewide initiative that puts billions of cap-and-trade dollars to work reducing greenhouse gas emissions, strengthening the economy and improving public health and the environment.

California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, and more sustainable agriculture and recycling. At least 35% of these investments are made in disadvantaged and low-income communities.

2018 LEGISLATIVE DEADLINES

Jan. 3 Legislature reconvenes.

Jan. 10 Budget must be submitted by Governor.

Jan. 12 Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the odd-numbered year.

Jan. 19 Last day for any committee to hear and report to the **Floor** bills introduced in that house in the odd-numbered year. Last day to submit **bill requests** to the Office of Legislative Counsel.

Jan. 31 Last day for each house to pass **bills** introduced in that house in the odd-numbered year.

Feb. 16 Last day for bills to be introduced.

Apr. 27 Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house.

May 11 Last day for **policy committees** to hear and report to the Floor **nonfiscal** bills introduced in their house.

May 18 Last day for **policy committees** to meet prior to June 4.

May 25 Last day for **fiscal committees** to hear and report to the **Floor** bills introduced in their house. Last day for **fiscal committees** to meet prior to June 4.

May 29-June 1 Floor session only. No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.

June 1 Last day for each house to pass bills introduced in that house.

June 4 Committee meetings may resume.

June 15 Budget Bill must be passed by midnight.

June 28 Last day for a legislative measure to qualify for the Nov. 6 General Election ballot.

June 29 Last day for **policy committees** to hear and report **fiscal bills** to fiscal committees.

July 6 Last day for **policy committees** to meet and report bills.

Aug. 17 Last day for **fiscal committees** to meet and report bills.

Aug. 20-31 Floor session only. No committee may meet for any purpose except Rules Committee.

Aug. 24 Last day to **amend** on Floor.

Aug. 31 Last day for each house to pass bills. **Final Recess** begins on adjournment.

ATTACHMENT 4

SCAQMD Draft Legislative Proposal to Authorize a Potential Local Sales Tax Increase Ballot Measure in the South Coast Air District

Problem: The South Coast Air Basin has among the worst air quality in the nation and is in extreme nonattainment for ozone, based on federal air quality standards. Our 2016 Air Quality Management Plan (AQMP) addresses this daunting problem, however, it requires substantial and sustainable funding over the next 15 years in order to improve air quality to levels that meet federal air quality standards and reduce the existing significant public health risk.

Summary: This bill proposal would seek authorization from the Legislature, to, either through South Coast Board direction or through the voter initiative process, put a quarter-cent sales tax increase proposal on the ballot within the South Coast Air District, for voter approval, in order to raise funds to facilitate the significant reduction of air pollution in the South Coast region, in support of the 2016 AQMP.

This would only be an authorization bill to allow either SCAQMD Governing Board action or a voter driven petition ballot initiative to put this proposal on the ballot. This bill would not directly create a ballot measure.

The key focus of this proposal would be to help raise the needed funds, \$1 billion per year for the next 15 years, required to support the 2016 AQMP. It is still being explored as to whether this proposal could be expanded to include other large local air districts throughout the state as well.

This proposal could generate up to \$700 million on an annual basis for air pollution reduction within the South Coast region, which would go a long way towards solving the air pollution problem. A large portion of this funding would go to providing incentives to businesses to promote the development and deployment of clean technology and facilitate fleet turnover from dirty, heavy-duty diesel trucks and other vehicles to cleaner alternatives.

The goal would be for this proposal to go on the ballot in 2020.

ATTACHMENT 5

PROPOSED Public Fleet Rule Legislative Proposal and Draft Language

AS AMENDED BY LEGISLATIVE COMMITTEE*

Introduction

Existing law authorizes the governing board of the South Coast Air Quality Management District to adopt rules and regulations that require specified operators of public and commercial fleet vehicles consisting of 15 or more vehicles, when adding vehicles or replacing vehicles in an existing fleet or forming a new fleet, to purchase vehicles that are capable of operating on methanol or other equivalently clean-burning alternative fuel and that require these vehicles to be operated, to the maximum extent feasible, on the alternative fuel when operating in the south coast district.

This bill would authorize the governing board of the south coast district to adopt rules and regulations that require specified operators of public and commercial fleet vehicles consisting of 15 or more vehicles to purchase the cleanest commercially available vehicles, as defined, and require those vehicles to be operated, to the maximum extent feasible, in the south coast district.

This bill would make legislative findings and declarations as to the necessity of a special statute for the south coast district.

Legislative Language

SECTION 1. Section 40447.5 of the Health and Safety Code is amended to read:

40447.5. ~~Notwithstanding~~ (a) For purposes of this section, "cleanest commercially available" vehicle means a vehicle operated by a fuel or technology that substantially reduces emissions of oxides of nitrogen and is technically feasible, as defined by the governing board of the south coast district.

(b) ~~Notwithstanding any other provision of law,~~ the south coast district board may adopt rules and regulations that do all of the following:

(a)

(1) Require operators of public and commercial fleet vehicles, consisting of 15 or more vehicles under a single owner or lessee and operating substantially in the south coast district, ~~when adding vehicles to or replacing vehicles in an existing fleet or purchasing vehicles to form a new fleet, to purchase vehicles which are capable of operating on methanol or other equivalently clean-burning alternative fuel to purchase the cleanest commercially available vehicles~~ that will meet operational needs and require the replacement of no more than fifteen percent of existing vehicles per calendar year, with due consideration of vehicle useful life. The south coast district board may ~~and to require that these vehicles be operated, to the maximum extent feasible, on the alternative fuel when operating in the south coast district.~~ Notwithstanding Section 39021, as used in this subdivision, the term "commercial fleet vehicles" is not limited to vehicles that are operated for hire, compensation, or profit. ~~No A rule or regulation adopted pursuant to this paragraph shall not apply to emergency vehicles operated by local law enforcement agencies, fire departments, or to paramedic and rescue vehicles until the south coast district board finds and determines that cleanest commercially available vehicles will not impair the alternative fuel is available at sufficient locations so that the emergency response capabilities of those vehicles is not impaired.~~

(2) Encourage and facilitate ridesharing for commuter trips into, out of, and within the south coast district.

(3) Prohibit or restrict the operation of heavy-duty trucks during hours of heaviest commuter traffic on freeways and other high traffic volumes highways. In adopting the regulations pursuant to this paragraph, the south coast district shall consult with the Department of Transportation and the

**Amendments by the Legislative Committee are denoted with a double underline.*

Department of the California Highway Patrol and the transportation commission of each county in the south coast district. No regulation adopted pursuant to this paragraph shall, however, prohibit or restrict the operation of any heavy-duty truck engaged in hauling solid or hazardous waste or a toxic substance if that truck is required to be operated at certain times of day pursuant to an ordinance adopted for the protection of public health or safety by a city or county or any heavy-duty truck required to be operated at certain times of the day pursuant Section 25633 of the Business and Professions Code.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique needs of the South Coast Air Basin, which is designated as a federal extreme nonattainment area for ozone.

ATTACHMENT 6

Dr. Joseph Lyou's Proposed Amendments to SCAQMD's 2018 Federal and State Legislative Goals and Objectives

Dr. Joseph Lyou: Would staff support including the additional goal of: “opposing tax laws or other financial incentive legislation that disproportionately benefits those who manufacture, sell, or use products that significantly increase air pollution within the district”?

Response: Staff has concerns that this goal may have too broad of an application and thus be difficult to properly implement. As an alternative, staff suggests:

Clean Air Act, National Ambient Air Quality Standards (NAAQS) and SIP
(Existing Language as modified)

“Oppose legislation that conflicts with the District’s attainment goals.” Further,

Support policies, legislation and/or administrative efforts to:

- Ensure adequate SCAQMD authority under the federal Clean Air Act (CAA);
- Extend or enhance SCAQMD’s subvention funding under CAA Sections 103 and 105;
- Increase funding and incentive programs to help states and local regions meet attainment for clean air standards under the CAA; and
- Protect science-driven and health-based determinations of national ambient air quality standards, and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

Dr. Joseph Lyou: Would staff support this change to the “Clean Energy” goal? Support legislation that advances the Board’s Energy Policy which promotes energy efficiency, demand reduction and reliable, cost effective and clean energy for all consumers . . .”

Response: Staff is Supportive

Clean Energy (Existing Language as modified)

Support legislation that advances the Board’s Energy Policy which promotes energy efficiency, demand reduction and reliable, cost effective and clean energy for all consumers in the District while facilitating attainment of clean air standards and support for a healthy economy. In particular, support policies and funding that promote the development and deployment of zero and near-zero emission infrastructure, equipment and vehicles.



South Coast Air Quality Management District

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DRAFT

SCAQMD's Federal Legislative Goals & Objectives for 2018

The following goals and objectives are identified to facilitate attainment of federal clean air standards within the South Coast region by statutory deadlines, while working with Congress, the White House, federal, state and local agencies, business, environmental and community groups, and other stakeholders:

Federal Support

Work to ensure that the federal government does its fair share to reduce air pollution by:

- Providing funding or regulatory authority adequate for nonattainment areas to attain National Ambient Air Quality Standards (NAAQS) for upcoming federal deadlines, and in particular, the South Coast Air Quality Management District (SCAQMD) to implement the 2016 Air Quality Management Plan (AQMP) and attain federal ozone and particulate matter standards by upcoming federal deadlines;
- Reauthorizing and expanding funding for the Diesel Emission Reduction Act (DERA);
- Increasing funding for the Targeted Air Shed Grant program;
- Authorizing and funding new programs which will reduce air pollution through the adoption and deployment of zero and near-zero emission technologies, fuels and recharging/refueling infrastructure;
- Establishing programs or policies that incentivize the federal government to purchase and use advanced clean technologies and eliminate the use of technologies generating NOx and particulate matter emissions; and
- Incentivizing individuals, businesses, states, and local governments to purchase and use advanced clean technologies and eliminate the use of technologies generating NOx and particulate matter emissions.

Technology Advancement

Expand funding opportunities and federal tax incentives for advanced clean technology research, development, demonstration and deployment programs, including those related to:

- Zero and near-zero emission technologies;
- Clean vehicles (such as light-, medium- and heavy-duty vehicles, locomotives, marine vessels, and aircraft technologies);
- Clean fuels and refueling/recharging technologies and infrastructure;
- Clean energy sources;
- Technologies, systems and/or processes which reduce ambient concentrations of air pollutants and/or toxic air emissions; and
- The implementation of the 2016 Air Quality Management Plan (AQMP).

Marine Vessels

Pursue legislative and/or administrative policies that will further reduce marine vessel emissions and will ensure, through regulatory and/or incentive-based policies that the cleanest vessels come to U.S. ports.

SCAQMD's Federal Legislative Goals & Objectives for 2018

Surface Transportation & Goods Movement

Pursue the adoption of legislation and/or policies which will reduce or eliminate air quality impacts from the freight sector (for both medium-duty and heavy duty vehicles), as well as off-road vehicles (such as agricultural vehicles, cargo handling equipment, freight handling equipment, and construction equipment).

Locomotives

Pursue efforts to reduce locomotive emissions, through regulatory and/or incentive-based policies.

Reduction of Toxic Emissions

Pursue efforts through legislative and administrative programs, to reduce toxic emissions, and the public's exposure to toxic emissions, within the South Coast region.

Environmental Justice

Support legislation which promotes environmental justice initiatives that will reduce localized health risks, develop clean air technologies that directly benefit disproportionately impacted communities, and enhance community participation in decision-making.

Business/Jobs Climate

Support legislation, policies or administrative actions that support and assist the regulated community to comply with rules and regulations in the most efficient and cost-effective manner that protects and encourages job retention and creation, and promotes economic growth, while working toward attainment of clean air standards.

Clean Air Act, National Ambient Air Quality Standards (NAAQS) and SIP

"Oppose legislation that conflicts with the District's attainment goals." Further, sSupport policies, legislation and/or administrative efforts to:

- Ensure adequate SCAQMD authority under the federal Clean Air Act (CAA);
- Extend or enhance SCAQMD's subvention funding under CAA Sections 103 and 105;
- Increase funding and incentive programs to help states and local regions meet attainment for clean air standards under the CAA; and
- Protect science-driven and health-based determinations of national ambient air quality standards, and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation at local levels, to promote co-benefits with NAAQS and air toxics reduction, consistent with the Board's policy.

New Source Review Offsets

Modernize federal New Source Review offset requirements for areas where the supply of offsets is inadequate, while furthering the pursuit of clean air objectives.



South Coast Air Quality Management District

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DRAFT

SCAQMD's State Legislative Goals & Objectives for 2018

The following goals and objectives are identified to protect public health and facilitate attainment of clean air standards within the South Coast region by statutory deadlines, while working with and serving as a resource to state legislators and the Governor; federal, state, and local agencies; business, environmental and community groups; and other stakeholders:

Air Quality Funding

Increase existing and identify new funding sources for clean air programs that protect public health and ensure attainment of state and federal air quality standards, particularly incentive programs and research and development projects that support the 2016 Air Quality Management Plan (AQMP) and create opportunities to partner with local businesses, communities and residents.

SCAQMD Authority / Policy Implementation

Protect and ensure adequate SCAQMD authority for implementation of the Board's clean air policies and programs, as required by state and federal law, including the 2016 AQMP.

State Support

Work to ensure that the state government does its fair share to reduce air pollution in order for the South Coast region to meet national ambient air quality standards, and provides legislative and administrative support to SCAQMD to implement the 2016 AQMP and attain federal ozone and particulate matter standards by upcoming federal deadlines.

Environmental Justice

Support legislation and funding to promote and sustain environmental justice initiatives that: reduce localized health risks resulting from criteria pollutant and toxic air contaminant emissions, develop and expand access to clean air technology that directly benefits disproportionately impacted communities, enhance community participation in decision-making, and provide the resources necessary to fully implement local air districts' new responsibilities and programs created through Assembly Bill 617 (C. Garcia, Chapter 136, Statutes of 2017).

Climate Change

Seek to influence climate change initiatives and facilitate their implementation consistent with Board policy. In particular, support efforts directing that Greenhouse Gas Reduction Fund investments maximize criteria and toxics emission reduction co-benefits, promote near-zero and zero-emission vehicles, and address air quality and public health impacts.

SCAQMD's State Legislative Goals & Objectives for 2018

Clean Energy

Support legislation that advances the Board's Energy Policy which promotes *energy efficiency, demand reduction and* reliable, cost effective and clean energy for all consumers in the District while facilitating attainment of clean air standards and support for a healthy economy. In particular, support policies and funding that promote the development and deployment of zero and near-zero emission infrastructure, equipment and vehicles.

Business/Jobs Climate

Support legislation, policies and/or administrative actions that protect and encourage job retention and creation and promote economic growth, while working toward attainment of clean air standards; and that support and assist the regulated community in complying with rules and regulations in the most efficient and cost-effective manner.

Surface Transportation & Goods Movement

Support and expand air quality policy and funding considerations relating to the implementation of state and federal surface transportation and goods movement policies and programs, including those relating to the FAST Act.

ATTACHMENT 7

SECTION 1. Section 40440.5 of the Health and Safety Code is amended to read:

40440.5. (a) Notice of the time and place of a public hearing of the south coast district board to adopt, amend, or repeal any rule or regulation relating to an air quality objective shall be given not less than 30 days prior thereto and, notwithstanding subdivision (b) of Section 40725, shall be published in each county in the south coast district in accordance with the requirements of Section 6061 of the Government Code. The period of notice shall commence on the first day of publication.

(b) In addition to the requirements of subdivision (b) of Section 40725, notice shall be mailed to every person who filed a written request for notice of proposed regulatory action with the south coast district, every person who requested notice for, or registered at, the workshop, if any, held in connection with the development of the proposed rule or regulation, and any person the south coast district believes to be interested in the proposed rule or regulation. In lieu of mailed notice, notice may be sent electronically to any such person for whom the south coast district has obtained an electronic address unless the person has requested mailed notice in connection with a particular notice or for all notices. The south coast district shall establish and maintain procedures for requesting mailed notice and for updating electronic addresses. The south coast district shall publish the notice on its website not less than 30 days prior to the public hearing. The inadvertent failure to mail or provide notice to any particular person as provided in this subdivision shall not invalidate any action taken by the south coast district board.

(c) In addition to the summary description of the effect of the proposal, as required by subdivision (b) of Section 40725, the notice shall include the following:

(1) A description of the air quality objective that the proposed rule or regulation is intended to achieve and the reason or reasons for the proposed rule or regulation.

(2) A list of supporting information, documents, and other materials relevant to the proposed rule or regulation, prepared by the south coast district or at its direction, any environmental assessment, and the name, address, and telephone number of the district officer or employee from whom copies of the materials may be obtained.

(3) A statement that a staff report on the proposed rule or regulation has been prepared, and the name, address, and telephone number of the district officer or employee from whom a copy of the report may be obtained. Whenever the proposed rule or regulation will significantly affect air quality or emissions limitations, the staff report shall include the full text of the proposed rule or regulation, an analysis of alternative control measures, a list of reference materials used in developing the proposed rule or regulation, an environmental assessment, exhibits, and draft findings for consideration by the south coast district board pursuant to Section 40727. Further, if an environmental assessment is prepared, the staff report shall also include social, economic, and public health analyses.

(d) Regardless of whether a workshop was previously conducted on the subject of the proposed rule or regulation, the south coast district may conduct one or more supplemental workshops prior to the public hearing on the proposed rule or regulation.

(e) If the south coast district board makes changes in the text of the proposed rule or regulation that was the subject of notice given pursuant to this section, further consideration of the rule or regulation shall be governed by Section 40726.

(f) This section is not intended to change, and shall not be construed as changing, any entitlement or protection conferred by the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

§ 40440.7. Public workshops

(a) Whenever the south coast district intends to propose the adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations, the south coast district shall conduct one or more public workshops.

(b) Notice of the time and place of the first workshop shall be given no less than 75 days prior to the meeting at which the south coast district board will consider the Proposed rule or regulation by publication in each county in the south coast district pursuant to Section 6061 of the Government Code and by mail to every person who filed a written request for notice of proposed regulatory action with the south coast district and any person the south coast district believes to be interested in attending the workshop. In lieu of mailed notice, notice may be sent electronically to any such person for whom the south coast district has obtained an electronic address unless the person has requested mailed notice in connection with a particular notice or for all notices. The south coast district shall establish and maintain procedures for requesting mailed notice and for updating electronic addresses. The south coast district shall publish the notice on its website not less than 75 days prior to the meeting.

***** (no changes to remainder of section)

CODE TEXT

HEALTH AND SAFETY CODE - HSC

DIVISION 26. AIR RESOURCES [39000 - 44474]

(Division 26 repealed and added by Stats. 1975, Ch. 957.)

PART 4. NONVEHICULAR AIR POLLUTION CONTROL [41500 - 42710]

(Part 4 added by Stats. 1975, Ch. 957.)

CHAPTER 4. Enforcement [42300 - 42454]

(Chapter 4 added by Stats. 1975, Ch. 957.)

ARTICLE 1. Permits [42300 - 42316]

(Article 1 added by Stats. 1975, Ch. 957.)

42301.6.

(a) Prior to approving an application for a permit to construct or modify a source which emits hazardous air emissions, which source is located within 1,000 feet from the outer boundary of a schoolsite, the air pollution control officer shall prepare a public notice in which the proposed project or modification for which the application for a permit is made is fully described. The notice may be prepared whether or not the material is or would be subject to subdivision (a) of Section 25536, if the air pollution control officer determines and the administering agency concurs that hazardous air emissions of the material may result from an air release, as defined by Section 44303. The notice may be combined with any other notice on the project or permit which is required by law.

(b) The air pollution control officer shall, at the permit applicant's expense, distribute ~~or mail~~, or send by electronic mail the public notice to the parents or guardians of children enrolled in any school that is located within one-quarter mile of the source and to each address (or by electronic mail to the occupant of any such address) within a radius of 1,000 feet of the proposed new or modified source at least 30 days prior to the date final action on the application is to be taken by the officer. The officer shall review and consider all comments received during the 30 days after the notice is distributed, and shall include written responses to the comments in the permit application file prior to taking final action on the application.

(1) Notwithstanding Section 49073 of the Education Code, or any other provision of law, the information necessary to mail or send by electronic mail the notices required by this section shall be made available by the school district to the air pollution control officer.

(2) Nothing in this subdivision precludes, at the discretion of the air pollution control officer and with permission of the school, the distribution of the notices to the children to be given to their parents or guardians.

(c) Notwithstanding subdivision (b), an air pollution control officer may require the applicant to distribute the notice if the district had such a rule in effect prior to January 1, 1989.

(d) The requirements for public notice pursuant to subdivision (b) or a district rule in effect prior to January 1, 1989, are fulfilled if the air pollution control officer or applicant responsible for giving the notice makes a good faith effort to follow the procedures prescribed by law for giving the notice, and, in these circumstances, failure of any person to receive the notice shall not affect the validity of any permit subsequently issued by the officer.

(e) Nothing in this section shall be deemed to limit any existing authority of any district.

(f) An applicant for a permit shall certify whether the proposed source or modification is located within 1,000 feet of a schoolsite. Misrepresentation of this fact may result in the denial of a permit.

(g) The notice requirements of this section shall not apply if the air pollution control officer determines that the application to construct or modify a source will result in a reduction or equivalent amount of air contaminants, as defined in Section 39013, or which are hazardous air emissions.

(h) As used in this section:

(1) "Hazardous air emissions" means emissions into the ambient air of air contaminants which have been identified as a toxic air contaminant by the state board or by the air pollution control officer for the jurisdiction in which the project is located. As determined by the air pollution control officer, hazardous air emissions also means emissions into the ambient air from any substances identified in subdivisions (a) to (f), inclusive, of Section 44321 of the Health and Safety Code.

(2) "Acutely hazardous material" means any material defined pursuant to subdivision (a) of Section 25532.

(Amended by Stats. 1991, Ch. 1183, Sec. 14.)