

BOARD MEETING DATE: February 7, 2020

AGENDA NO. 17

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, January 17, 2020. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Judith Mitchell, Chair
Legislative Committee

DJA:LTO:PFC:sg

Committee Members

Present: Council Member Judith Mitchell/Chair
Council Member Joe Buscaino/Vice Chair (videoconference)
Dr. William A. Burke (videoconference)
Senator Vanessa Delgado (Ret.) (videoconference)
Supervisor V. Manuel Perez (videoconference)
Supervisor Janice Rutherford

Absent: None

Call to Order

Chair Mitchell called the meeting to order at 9:02 a.m.

DISCUSSION ITEMS:

1. Update on Federal Legislative Issues

South Coast AQMD's federal legislative consultants (Cassidy & Associates, Kadesh & Associates, and Carmen Group) each provided a written report on various key Washington, D.C. issues.

Ms. Angela Ebiner of Cassidy & Associates reported that the Presidential impeachment issue is the big news in Washington, DC and is expected to continue for at least the next few weeks. She further stated that the House of Representatives (House) draft Surface Transportation bill is expected to be unveiled at the end of the month. The House Democratic Climate Change bill includes increased funding for the Diesel Emissions Reduction Act program.

Mr. Mark Kadesh of Kadesh & Associates stated that their written report summarizes the Fiscal Year 2020 Appropriations bills. Programs that South Coast AQMD supports were funded at healthy levels due to support from our Congressional delegation. Mr. Kadesh reported on the House Surface Transportation bill that we are working through our Congressional delegation on issues related to air quality.

Mr. Gary Hoitsma of Carmen Group reported that U.S. EPA issued their Advanced Notice of Proposed Rulemaking for the Cleaner Trucks Initiative (CTI). He also advised that the Senate Environment and Public Works Committee may be holding an informational hearing on the CTI and he is in discussions with the staff on behalf of South Coast AQMD as the original petitioners for the initiative.

2. Update on State Legislative Issues

South Coast AQMD's state legislative consultants (California Advisors, LLC, Joe A. Gonsalves & Son, and Quintana Watts and Hartmann) provided written reports on various key issues in Sacramento.

Mr. Ross Buckley of California Advisors, LLC informed the Committee that state legislators recently returned to Sacramento after a few months of interim break. Governor Newsom released his proposed state budget for 2020-21, which includes \$153 billion of spending, and would increase the state reserves to over \$20 billion. This kicks off the state budget negotiation process and June 15, is the deadline for the budget to pass

Mr. Paul Gonsalves of Joe A. Gonsalves & Son reported that in the Governor's proposed state budget there is a proposal for \$12.5 billion over five years to address climate resistance needs in several different ways, including a \$1 billion climate catalyst fund, which is a 4-year loan program, and a \$4.75 billion climate resistance bond. There is also nearly \$1 billion in cap and trade funding available for allocation this year. Mr. Gonsalves added that through the budget committee and subcommittee process revisions will be made to this budget proposal. The Governor will submit a revised budget proposal in May 2020, with a final budget due by June 2020.

Mr. Wayne Natri, Executive Officer, commented that the Governor's proposed budget is not good for air quality interests in the South Coast region, as there were major funding cuts to programs, including AB 617. AB 617 incentive funding was cut to \$200 million from last year's \$245 million. Other groups have joined in criticizing these funding cuts. Staff has been telling CARB that it is not appropriate for the AB 617 program to be expanded with additional work for local air districts without additional funding being provided. South Coast AQMD will need to work hard to obtain more funding.

Supervisor Perez inquired as to the motivation to cut funds. Mr. Derrick Alatorre, Deputy Executive Officer of Legislative, Public Affairs and Media, responded that he believes that this is an opening proposal by the Governor to start budget negotiations with the legislature. Mr. Nastri commented that the AB 617 program was not created by Governor Newsom, rather he inherited it from a previous Administration and legislature. The Governor appears to be focused on wildfires and homelessness. Mr. Nastri continued that given the potentially severe impacts from federal sanctions for not attaining federal air quality standards, this approach shows a lack of investment and of understanding of where funding truly needs to go, and the consequences the South Coast region and California face without those investments.

Mr. Buckley informed the Committee there have been great efforts by legislators to get their special needs or programs funded through the Greenhouse Gas Reduction Fund (GGRF), with one example being the diversion of millions of dollars for water needs in the last budget. So there are many interested stakeholders trying to get access to GGRF monies.

Supervisor Perez responded that we should push our lobbyists in Sacramento to better understand why the Governor is cutting funding, and then South Coast AQMD Board Members and staff need to put extra effort into lobbying in Sacramento to get more funding. Mr. Gonsalves affirmed that the South Coast AQMD lobbyists will continue to push for and strategize on ways to get additional funding. Supervisor Perez responded by asking for the lobbyists' action plan and timelines. Dr. Burke expressed concern about the state consultants in that updates regarding the lack of budget funding for air quality is found out after the fact. Rather, information regarding these developments should be presented earlier, so that we can better influence the decision-making regarding budget allocations. Dr. Burke also believes that the Governor is more focused on wildfires and power shutoffs in Northern California, rather than Southern California and air quality. Supervisor Perez commented that there is still time to influence the state budget allocations and that we need to get a meeting with the Governor.

Mr. David Quintana of Quintana, Watts and Hartmann stated that he did not have anything to report beyond his written report.

3. Update on Legislation Regarding Voting District Authorization for Clean Air

Mr. Alatorre provided an update regarding South Coast AQMD-sponsored legislation, SB 732 (Allen), relating to the authorization of a voting district within the South Coast region to allow for potential ballot funding measures within the District.

Mr. Alatorre reported that South Coast AQMD received suggested bill amendment language from the Building Trades union and this language was incorporated into the bill, which is now publicly available online. South Coast AQMD continues to work with various stakeholders to secure support for the bill. Given the short timeline to move SB 732 (Allen) in January, the decision was made to pull the bill from the Senate Appropriations Committee agenda, so that a new bill could instead be introduced in February, allowing more time to work with stakeholders to obtain support. The Building Trades are very instrumental in the success of South Coast AQMD's sponsored bill, thus securing their support or at least a neutral position on the bill will be very impactful to the bill's success. Additionally, a new author for the bill will be considered. Senator Allen may be a co-author.

Senator Delgado had suggestions for potential authors and offered to help with discussions.

Supervisor Rutherford commented that Senator Leyva would receive negative pressure in San Bernardino County against authoring this bill because San Bernardino County Transportation Authority opposed the bill. She asked if the new bill will mirror the current bill language with possible updates to the language. Mr. Alatorre responded that he believed that negotiations regarding language with the Building Trades are complete; however, negotiations with other stakeholders, such as the Environmental Defense Fund, continue and could lead to small changes. Mr. Alatorre also mentioned that language from the International Longshore and Warehouse Union (ILWU) was received and incorporated into the bill that addresses automation issues. Supervisor Rutherford expressed disappointment regarding the language from the ILWU regarding non-automation and inquired about sunset language and whether it would be in the bill or a future funding measure. Mr. Alatorre responded that a sunset is still being discussed and that future federal standards and consequently air quality funding needs will need to be taken into account. Mr. Natri explained that negotiations did not develop enough last year to fully address the sunset issue because the bill did not move far enough through the legislative process. Supervisor Rutherford also inquired about "return to source" language in the bill that would guarantee that the Inland Empire received its fair share of funding. Mr. Natri responded that the spending scenario document that has been shared shows that the various counties, including the Inland Empire, would get their fair share of funding; however, specific details of how funding is spent in the future is hard to predict because things like the future development of technology and deployment of trucks is hard to determine. The independent oversight committee listed in the bill will have a role in helping fair allocation of funding.

Supervisor Rutherford also asked for an explanation of recent changes made to the bill text regarding how the funding gets spent. Mr. Philip Crabbe, Public Affairs Manager, responded that the focus of the bill has been ensuring full implementation of the South Coast AQMPs are funded. However, based on requests from multiple

stakeholders, the intention was to make it clear that other benefits can come from the bill, including ensuring that there are benefits for disadvantaged communities, reductions of toxic exposure, reductions of greenhouse gas emissions, and funding for clean transportation and transit projects. These areas are closely related to the effort to implement AQMPs and clean the air and can benefit the region as well. Mr. Nastri reiterated that this language was meant to benefit disadvantaged communities and emphasize that there will be co-benefit greenhouse gas emissions reductions, which is one of the Governor's priorities, and many electeds in Sacramento emphasize that our proposal needs to include climate change. With our focus on zero emissions, there are both air pollution and greenhouse gas emission reduction benefits.

Council Member Mitchell cautioned that CARB may have an issue with the South Coast AQMD trying to regulate climate change related issues. Mr. Nastri responded that South Coast AQMD staff, along with the California Air Pollution Control Officers Association, recently met with Richard Corey, Executive Officer of CARB, and there was an agreement that when air pollution is reduced, particularly to zero emissions, there are co-benefits in terms of reducing greenhouse gas emissions as well. However, there still needs to be a focus on achieving near-zero emissions now, in applications where solutions are not possible.

Supervisor Rutherford expressed concern about the language in the bill that says that funding can be used on clean transit and transportation projects that reduce air pollution because often funding that is meant for one purpose will be misdirected for another purpose. South Coast AQMD has to make sure that the language is very precise and stops this from happening and ensures funding remains for full implementation of present and future South Coast region AQMPs.

Dr. Burke asked that if the bill and a future funding measure are successful and get passed, would the funding come to the South Coast AQMD directly? Mr. Alatorre responded that South Coast AQMD staff met with the California Department of Tax and Fee Administration (CDTFA), which has replaced the Board of Equalization as the tax collecting agency, and they told us that they will collect the tax from the cities and counties, and then the funding would get sent to the South Coast AQMD directly on a monthly basis. Council Member Mitchell stated that there should be clear language in the bill that the funding comes to the South Coast AQMD directly. Mr. Crabbe responded that as part of the recent amendments to the bill, there is language that makes it clear that South Coast AQMD controls and determines the approved uses for any future funding from the bill, in line with the AQMP. As to any uses of funding for clean transit and transportation projects, the South Coast AQMD Board would have to agree.

Dr. Burke expressed concern about funding deriving from the bill possibly getting misdirected away from air quality needs. Supervisor Perez agreed and stated that we need to be precise in our bill language to ensure that such misdirection does not happen. Supervisor Perez asked that the latest bill language and any analysis done of SB 732 (Allen) be sent to the Legislative Committee members. Council Member Buscaino suggested that leveraging the experience and relationships of the two former state legislators on the Legislative Committee (Senator Delgado and Supervisor Perez) to help with the efforts on SB 732 (Allen).

Mr. Harvey Eder provided public comment for himself and the Public Solar Power Coalition on agenda items 1-3 regarding the Governor's concerns relating to homelessness, wildfires, and climate change. He mentioned a refundable solar tax credit for low income individuals that existed decades ago.

WRITTEN REPORT:

4. Report from South Coast AQMD Home Rule Advisory Group

Please refer to Attachment 4 for the written report.

OTHER MATTERS:

5. Other Business

There was no other business.

6. Public Comment Period

Mr. Eder provided public comment on homelessness, new housing projects in Santa Monica and expressed concern and urged action to address climate change.

7. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, February 14, 2020 at 9:00 a.m.

Adjournment

The meeting adjourned at 9:50 a.m.

Attachments

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports
4. Report from the South Coast AQMD Home Rule Advisory Group

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – January 17, 2020

Dr. William A. Burke (videoconference).....	South Coast AQMD Board Member
Council Member Joe Buscaino (videoconference)	South Coast AQMD Board Member
Senator Vanessa Delgado (Ret.) (videoconference)	South Coast AQMD Board Member
Council Member Judith Mitchell	South Coast AQMD Board Member
Supervisor V. Manuel Perez (videoconference)	South Coast AQMD Board Member
Supervisor Janice Rutherford.....	South Coast AQMD Board Member
Thomas Gross	Board Consultant (Benoit)
Mark Taylor	Board Consultant (Rutherford)
Andrew Silva	Board Consultant (Rutherford)
Mark Kadesh (teleconference).....	Kadesh & Associates
Gary Hoitsma (teleconference).....	Carmen Group, Inc.
Angela Ebner (teleconference)	Cassidy & Associates
Paul Gonsalves (teleconference).....	Joe A. Gonsalves & Son
David Quintana (teleconference)	Quintana, Watts and Hartmann
Ross Buckley (teleconference).....	California Advisors, LLC
Harvey Eder	Public Solar Power Coalition
Bill LaMarr	California Small Business Alliance
Rita Loof	RadTech
David Rothbart.....	Los Angeles County Sanitation Districts
Susan Stark	Marathon Petroleum Corporation
Derrick Alatorre	South Coast AQMD Staff
Barbara Baird.....	South Coast AQMD Staff
Philip Crabbe	South Coast AQMD Staff
Amir Dejbakhsh.....	South Coast AQMD Staff
Philip Fine.....	South Coast AQMD Staff
Stacy Garcia	South Coast AQMD Staff
Megan Lorenz.....	South Coast AQMD Staff
Matt Miyasato	South Coast AQMD Staff
Ron Moskowitz	South Coast AQMD Staff
Wayne Natri	South Coast AQMD Staff
Robert Paud.....	South Coast AQMD Staff
Sarah Rees.....	South Coast AQMD Staff
Lisa Tanaka O'Malley	South Coast AQMD Staff
Mary Reichert	South Coast AQMD Staff
Aisha Reyes	South Coast AQMD Staff
Jeanette Short.....	South Coast AQMD Staff
Danielle Soto	South Coast AQMD Staff
Fabian Wesson	South Coast AQMD Staff
Kim White.....	South Coast AQMD Staff
Jill Whynot.....	South Coast AQMD Staff
Paul Wright.....	South Coast AQMD Staff

ATTACHMENT 2

CASSIDY&ASSOCIATES

733 Tenth Street, N.W., Suite 400
Washington, DC 20001-4886

(202) 347-0773
www.cassidy.com

To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: January 2, 2020
Re: Federal Update

Look Ahead

The Senate will convene on Friday, January 3, 2020 and the House will convene on Tuesday, January 7, 2020. Issues on the table for early 2020 include impeachment, Senate ratification of the United States-Mexico-Canada (USMCA) trade agreement, the Fiscal Year (FY) 2021 budget request from President Trump to Congress, and legislative activity related to surprise billing/drug pricing and privacy/tech issues. We also expect House Transportation & Infrastructure Committee Chairman DeFazio to introduce the House version of the transportation bill early 2020 and the release of the Select Committee on the Climate Crisis report in March 2020.

Impeachment looms large as the 116th Congress second session begins. As you know, the House voted to impeach President Trump on Wednesday, December 17, 2019, passing two articles of impeachment (abuse and obstruction of Congress). However, Congress left town for the holidays without resolving next steps. Speaker Pelosi has delayed transmittal of the articles to the Senate until/unless Senate Majority Leader McConnell agrees to allow additional witnesses to testify. Pressure to resolve the stand-off will increase as members return next week.

Upcoming: We expect House Democrats to hold an Environmental Justice hearing in late January or early February. The House Transportation & Infrastructure Committee Subcommittee on Water Resources and Environment is holding a hearing on Thursday, January 9 on “Proposals for a Water Resources Development Act of 2020.” Senate Environment and Public Works (EPW) will hold a hearing on Wednesday, January 8, 2020, to examine “The Nonpoint Source Management Program Under the Clean Water Act: Perspectives from States.”

Congressional Activities in December

Government Funding

Before the Christmas recess, Congress successfully completed its FY 2020 appropriations process. As predicted, the 12 funding bills were bundled into two separate “mini-busses” instead of a full 12-bill omnibus package. One minibus included national security spending and the other included domestic programs, including South Coast AQMD’s Energy-Water and Interior-Environment priority programs, as well as foreign aid. President Trump signed the \$1.37 trillion combined package into law on December 20, 2019 to extend federal funding through September 30, 2020.

The final package was a bipartisan and bicameral compromise, and ultimately included both Democratic and Republican priorities that had held up previous negotiations. Democratic leadership touted increases for the EPA and National Institutes of Health, funding for gun violence research, election security, Export-Import Bank reauthorization, a pay raise for civilian federal employees, a fully-funded 2020 Census, and the highest funding level for Land and Water Conservation Fund in 15 years. Republican leadership touted the inclusion of border wall funding, a pay raise for the military, coal miner pension protections, and a significant increase in defense funding. The bill also repealed three taxes established in the Affordable Care Act, including the 2.3% excise tax on medical devices and the 40% “Cadillac tax,” an excise tax on the most expensive employer-sponsored health insurance plans.

Tax Extenders: Congress also attached a year-end tax package to the FY 20 funding bill that extended more than two dozen incentives retroactively and through 2020 and included some technical corrections to the 2017 Tax Cuts and Jobs Act, as well as natural disaster tax relief. Included in the tax extender package: Alternative Fuel Tax Credit extended from January 2018 through 2020; short-line railroad maintenance extension through 2022; the wind energy production tax credit (PTC) through 2021, 60% PTC through 2024; geothermal PTC retroactively extended from 2018 through 2020; incentives for biodiesel producers through 2022. There was no expansion of the electric vehicle tax credit due to opposition from the Administration, nor was energy storage, or solar energy included.

Additional extenders unrelated to transportation or energy: medical-expense deduction for individuals; employer credit for paid family and medical leave; mine rescue team training credit; Indian employment credit; excise tax breaks for brewers and distillers; deductions for mortgage insurance premium; deductions for college costs; credits for investors in low-income communities, and faster depreciation for racehorses and motor sports complexes; SECURE Act retirement bill (Chairman Neal priority).

Impeachment: Article I, Abuse of Power, passed 230-197 (former GOP Rep. Amash (MI) voted yay, Democrat Rep. Collin Peterson of MN opposed, Democrat but now Republican Rep. Van Drew of NJ voted no. Rep. Tulsi Gabbard (D-HI) voted present). Article II, Obstruction of Congress, passed 229-198 with Democrat Rep. Jared Golden of ME voting no on this article.

US-Mexico-Canada Agreement: The House passed the new NAFTA trade agreement, US-Mexico-Canada Agreement, 385-41 on December 19. The bill now moves to the Senate and will be considered in the Senate Finance Committee on Tuesday, January 7. Passage of the USMCA was a top priority for moderate Democrats from districts that the President won in 2016, who will inevitably face backlash on their impeachment vote from Trump supporters.

National Defense Authorization Act (NDAA): President Trump signed the NDAA into law on December 20. The bill passed the House 377-38 and passed the Senate 86-8.

House and Senate Committee Action

The **Senate Democrats’ Special Committee on the Climate Crisis** sent a letter on December 9 to leaders of the environmental justice movement asking for input on policy that could help mitigate the

impacts of climate change in low-income communities and communities of color. Responses are due January 31, 2020: <https://www.democrats.senate.gov/newsroom/press-releases/senate-democrats-seek-input-from-environmental-justice-leaders-on-ways-to-address-climate-change->

Senate Energy and Natural Resources Committee held a hearing on Dec. 19 to examine the impact of wildfire on electric grid reliability. Pacific Gas & Electric President Bill Johnson testified during a largely friendly hearing.

This month, the **House Energy and Commerce Committee** is expected to release legislation to reach 100 percent clean economy by 2050. The Committee held its final hearing examining this topic on Dec. 5 to examine carbon pricing and cap-and-trade systems.

The **House Transportation and Infrastructure Committee** Subcommittee on Highways and Transit held a hearing on Dec. 5 entitled, “Where’s My Stuff? Examining the Economic, Environmental, and Societal Impacts of Freight Transportation” to consider how trucking and freight rail transportation system is changing, especially with impact of growth in last mile deliveries and goods movement, as well as to examine how oversubscribed INFRA is. Witnesses: Coalition for America’s Gateways and Trade Corridors, American Short Line and Regional Railroad Association, University of Washington Supply Chain Transportation and Logistics Center, Association of American Railroads, Environmental Defense Fund, and AASHTO.

The **House Natural Resources Committee** introduced its flagship climate legislation, H.R. 5435, the American Public Lands and Waters Climate Solution Act, which directs the Department of Interior and U.S. Forest Service to achieve net-zero GHG emissions from public lands and waters by 2040. On Dec. 20 the Committee released its *Climate Action Report* detailing how the Committee has addressed the climate crisis, including 22 hearings and the introduction of H.R. 5435.

The **House Science Committee** Subcommittee on Energy marked up three bipartisan bills addressing geothermal R&D, energy storage, and grid security: H.R. 5374, the Advanced Geothermal Research and Development Act of 2019 (Lucas R-TX/Johnson D-TX); H.R. 2986 BEST Act to establish a research, development, and demonstration program for grid-scale energy storage systems (Foster D-IL); H.R. 5428, the Grid Modernization Research and Development Act of 2019 (Lamb D-PA).

The **Select Committee on the Climate Crisis** is expected to release its report and recommendations in March 2020 which will likely serve as a springboard for future legislating by House and Senate Democrats on climate change issues. The release in March is timed to allow the report to not only be incorporated within Congress in 2020, but also the different Democratic presidential contenders and their 2020 platform.

Introduced Legislation

The following bills related to climate/climate change/environment:

H.R.5435 American Public Lands and Waters Climate Solution Act

To require the Secretary of the Interior and the Chief of the United States Forest Service to meet certain targets for the reduction of the emission of greenhouse gases.

Rep. Grijalva, Raul M. [D-AZ-3]

Introduced 12/16/2019

Committees: House - Natural Resources; Agriculture; Education and Labor

H.R.5523 Energy Sector Innovation Credit Act of 2019

To amend the Internal Revenue Code of 1986 to provide investment and production tax credits for emerging energy technologies

Sponsor: Rep. Reed, Tom [R-NY-23]

Introduced 12/19/2019

Committees: House - Ways and Means

H.R.5519 Atmospheric Climate Intervention Research Act

Rep. McNerney, Jerry [D-CA-9]

Introduced 12/19/2019

Committees: House - Science, Space, and Technology

H.R.5428 Grid Modernization Research and Development Act of 2019

Rep. Lamb, Conor [D-PA-17]

Introduced 12/13/2019

Committees: House - Science, Space, and Technology

H.R.5416 National Climate Bank Act

Rep. Dingell, Debbie [D-MI-12]

Introduced 12/12/2019

Committees: House - Energy and Commerce; Financial Services; Ways and Means; Agriculture; Transportation and Infrastructure

H.R.5303 California Central Coast Conservation Act

Rep. Panetta, Jimmy [D-CA-20]

Introduced 12/04/2019

Committees: House - Natural Resources

Summary of Congressional Outreach

- ❖ Weekly calls with South Coast AQMD staff.
- ❖ Monitoring Congressional action related to FY 2020 appropriations and clean energy tax extenders.
- ❖ Monitoring Clean Trucks Initiative and ongoing Heavy-Duty NOx rulemaking.
- ❖ Meeting with Energy and Commerce Committee staff.

Kadesh & Associates

South Coast AQMD Report for the January 2020 Legislative Meeting (Covering December 2019)

December featured the ultimate successful passage of all Fiscal Year (FY) 2020 Appropriations bills and avoided a government shutdown. Following House action, the Senate passed the national security appropriations minibuss containing the FY 2020 Defense, Homeland Security, Commerce, Justice and State, and Financial Services Appropriations bills, by a vote of 81 to 11 on December 19, 2019, as well as the domestic package by a vote of 71-23. That package contained: Labor, Health, and Human Services, Transportation, Housing, and Urban Development, Agriculture, Legislative Branch, Energy & Water, Interior, Military Construction, and State/Foreign Operations. The President signed both packages into law on December 20, 2019. Kadesh & Associates continued to work with South Coast AQMD staff on our non-compliance issue and sharing that information with Congressional stakeholders as appropriate as well as sharing information on the Senate Environment and Public Works draft plans for a surface transportation bill.

DERA, Targeted Airshed Grants and Sec. 103/105 Funds

The FY 2019 levels were \$87M for the Diesel Emissions Reduction Act (DERA) and \$52M for Targeted Airshed Grants (TAG). The House Appropriations Committee in its FY 2020 Interior Appropriations bill initially funded DERA at only \$50M and \$30M for the Targeted Airshed Grant program. Through an effort led by southern California House Appropriations Members, \$5M was added to DERA for a total of \$55M. The Senate Appropriations marked their bill to \$85.166M for DERA and \$56.306M for TAG.

FY 2020 actual bill language:

Diesel Emission Reductions Grants (DERA): The agreement provides **\$87,000,000 for DERA grants** and the Agency is expected to allocate funds consistent with the guidance contained in the explanatory statement accompanying Public Law 116-6.*

Targeted Airshed Grants (TAG): The agreement **provides \$56,306,000**, and the Agency is directed to follow the guidance contained in the explanatory statement accompanying Public Law 116-6.*

TAG retains prioritization for top-5 nonattainment areas.

*From Joint Explanatory Note to PL116-6, the FY 2019 Appropriations bill. (Language that is not changed carries over to the next appropriations year if referenced as it is in the FY 2020 bill):

“Diesel Emission Reductions Grants (DERA). -The (FY19) bill provides \$87,000,000 for DERA grants. For fiscal year 2019, the Conferees direct the Agency to continue to make at least 70 percent of DERA grants available to improve air quality in non-attainment areas.

Targeted Airshed Grants. -The (FY19) bill provides \$52,000,000 for Targeted Airshed Grants. These grants shall be distributed on a competitive basis to non-attainment areas that EPA determines are ranked as the top five most polluted areas relative to annual ozone or particulate matter 2.5 standards, as well as the top five areas based on the 24-hour particulate matter 2.5 standard where the design values exceed the 35 mg/m³ standard. To determine these areas, the Agency shall use the most recent design values calculated from validated air quality data. The Conferees note that these funds are available for emission reduction activities deemed necessary for compliance with national ambient air

quality standards and included in a State Implementation Plan submitted to EPA. Not later than the end of fiscal year 2019, EPA should provide a report to the Committees that includes a table showing how fiscal year 2017 and 2018 funds were allocated. The table also should include grant recipients and metrics for anticipated or actual results.”

Section 103/105 grants are funded at \$228.2M in FY 2020, the same as in FY 2019.

Budget and Appropriations Highlights (Sources BGOV and E&E):

The Interior-Environmental Protection Agency (EPA) bill would provide \$13.86 billion for FY 2020, which is more than \$500 million over current spending. The increases target popular programs such as EPA Great Lakes, Chesapeake Bay and Long Island Sound conservation grants, as well as more funding for its polyfluoroalkyl substances (PFAS) and Superfund cleanup work. Interior saw boosts for the National Park Service and the highest funding for the Land and Water Conservation Fund in more than 15 years.

EPA is set to get a budget increase and, many lawmakers hope, halt the exodus of agency employees. EPA will receive more than \$9 billion in FY 2020. That sum is \$200M more than current funding. It's also nearly \$3 billion more than what President Trump proposed for the agency in his budget plan released earlier this year. Furthermore, in an explanatory statement accompanying the bill, appropriators showed concern for staffing at the agency. The spending committees requested EPA provide an operating plan for FY 2020. As part of that plan, the agency is expected to submit targets for the number of full-time employees in its headquarters and regional offices in line with its appropriations. EPA is directed to brief appropriators every quarter on how it plans to meet those goals.

Border Wall

A fight over funding for a U.S.-Mexico border wall that sparked a more than month-long government shutdown earlier this year and hamstrung budget talks for months was resolved with both sides claiming a win. Republicans and the White House say they prevailed by getting \$1.4 billion for border wall funding and no restrictions on moving more dollars for the wall from military construction accounts. But Democrats, who for months claimed they would provide no wall funding, say the bill provides far less than the \$8.6 billion proposed by the White House and noted they won't replenish military accounts that Trump takes money from for the barrier.

Riders

Lawmakers retained most environmental riders from previous spending bills, a priority for Senate Republicans that House Democrats fought. They include:

- Preserving restrictions on listing the Sage Grouse as an endangered species.
- Prohibiting new greenhouse gas emission restrictions for livestock.
- Allowing federal agencies to count biomass as carbon neutral.
- Blocking any federal regulation of lead ammunition and tackle.

Democrats failed to block a proposed rollback of mercury emissions standards by the Trump administration or win a ban on drilling in the Arctic National Wildlife Refuge. They did, however, achieve more modest victories with provisions seeking additional disclosures on offshore drilling safety waivers and banning expanding exemptions of the Clean Water Act for agriculture. An effort by Democrats to force the United States to rejoin the Paris climate accord was stripped. Also, a perennial GOP rider in recent years blocking dollars for the United Nations' Green Climate Fund was not attached.

Federal Pay:

Federal employees will receive a 3.1% pay raise, the largest in a decade, that was praised by public employee unions. Congress continued its decadelong ban on increasing pay for lawmakers.

Contacts:

Contacts included staff with California's Senators and the 23 House Members whose districts fall all or in part within AQMD's area of responsibility, the House and Senate Appropriations Committees, the Senate EPW Committee and individual offices.

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

MEMORANDUM

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: January 2, 2020

Re: Federal Update -- Executive Branch

New Year Outlook: As the New Year dawns in Washington amid the polarizing effects of the on-going impeachment controversy and the inevitable upcoming presidential election-year political strife, there are – at least at the start -- hopeful expectations that the Administration and Congress can and will come together to achieve important business in the year ahead despite all the countervailing headwinds. Much of this hope stems from the manner in which 2019 was closed out, with late December agreements on the Fiscal Year (FY) 2020 Appropriations bills, the Defense Authorization bill and the United States-Mexico-Canada (USMCA) trade agreement, all of which at various points seemed hopelessly deadlocked amid threats of another possible government shutdown. But a shutdown was avoided thanks to compromises on both sides to be sure, but most notably with Administration moves that many would argue went counter to traditional Republican orthodoxy. By signing off on a summer budget agreement that called for a \$49 billion increase in FY 2020 spending levels (\$22 billion for defense and \$27 billion in non-defense programs), President Trump made the usual Republican budget hawks wince, while also making it much more difficult for Congress as a whole to accept a long-term continuing resolution (CR) at the much lower previous-year spending levels. Secondly, by securing the creation of his priority Space Force in the defense bill in exchange for the Democrats' non-defense priority of a \$3 billion Parental Leave program for Federal workers (long opposed by most Republicans) -- and then even claiming credit for it – Trump defied normal expectations for a Republican president. And thirdly, to win House approval of the US-Mexico-Canada trade agreement, Trump accepted a series of labor-related provisions advocated by the Democratic House Speaker and the President of the AFL-CIO – and opposed by key Republican Senate backers of the agreement. A key takeaway from all of these actions is that this non-traditional President is now in full reelection mode and is willing to make deals that might otherwise – or at other times -- have seemed inconceivable. For South Coast AQMD in particular, it presents the realistic prospect of a window of opportunity in the coming year – and every reason to stay fully engaged in pursuing its important clean air priorities in the Congress and in the relevant federal agencies.

Transportation and Infrastructure: On the legislative front, the Trump Administration faces two significant deadlines this year with regard to the important issues of transportation and infrastructure, both of which hold the promise to possibly carry important clean-air-related initiatives high on South Coast AQMD's federal priority list.

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First, there is the September 30th deadline by which all federal surface transportation funding (highways and transit) expires, unless it is reauthorized in law passed by Congress and signed by the President. Second, there is the November 3rd Election Day deadline by which Trump would like to claim credit for fulfilling his 2016 campaign promise to sign a major comprehensive infrastructure bill, either in conjunction with the needed surface transportation bill or separately. Both the transportation reauthorization bill and a possible broader infrastructure bill are also high on Democrats' wish list for the coming year, making them ripe targets for bipartisan cooperation to the extent such cooperation is possible.

SAFE Rule: The Administration's final rule on fuel economy standards for cars and light trucks is expected to be published sometime in the first quarter, at least by April of this year. The rule itself is expected to include significant changes from the proposed rule published in August 2018. Administration sources say that one goal of the timing -- as with several other pending controversial rules on other topics -- is to ensure that follow-on litigation is fully engaged by May at the latest, making it more difficult for the substance of the rule(s) to be easily overturned should a new Administration take over next January.

Cleaner Trucks Initiative: Environmental Protection Agency (EPA/Agency) sources noted in December that the Agency was prepared to publish its Advance Notice of Proposed Rulemaking (ANPRM) on the Cleaner Trucks Initiative right around this time in early January 2020. The Notice is expected to be short on detail but be used to solicit comments about how best to approach a new ultra-low NOx emission standard for heavy-duty trucks and thus provide input for the Notice of Proposed Rulemaking expected to be published later in the year, leading to a final rule not likely to be out until early 2021. When asked if taking the ANPRM step (which is not normally done on many rules) would unnecessarily lengthen the rulemaking process, EPA said in this case they expect it will be just the opposite. They said it is being designed to help expedite things and hopefully eliminate the need for what they otherwise anticipate would be a special post-NPRM-comment and pre-final-rule solicitation for additional comment.

EPA Science Panel Questions Basis for Several Pending Rulemakings: On Dec. 31, the EPA's 41-member Science Advisory Board (SAB), pursuant to its normal review process to evaluate the agency's use of science in formulating regulatory actions, posted four draft letters to the EPA Administrator questioning elements of the scientific analysis behind four pending rulemakings. One of these addressed the SAFE Rule on fuel economy standards where the Board said there were "significant weaknesses in the scientific analysis of the proposed rule." The Administrator had not yet had a chance to formally respond.

Outreach: In December, relevant contacts included the office of Sen. James Inhofe, member of the Environment and Public Works Committee, on infrastructure and transportation reauthorization; and the office of Anne Idsal, EPA Assistant Administrator for Air and Radiation, on the SAFE rule and the Cleaner Trucks Initiative.

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ATTACHMENT 3



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
January 17, 2020 Legislative Committee Hearing

General Update

The Legislature reconvenes from Interim Recess on Monday, January 6th. With the start of the new legislative year, there are a couple of key dates to make note of as we enter the second year of this two-year session. First, on January 10th the Governor must submit his proposed budget for the new fiscal year. This will serve as an indicator of what the Administration’s priorities will be in 2020. Also, January 31st marks the deadline for when bills introduced in 2019 — commonly referred to as “two-year bills”— must move out of the house they were introduced in. Finally, as we look forward to seeing new legislation being introduced in 2020, February 21st will be the last day for Legislators to introduce bills.

In mid-December, the informal moderate caucus — also known as the “Mod Dems” — announced they had selected Assemblymember Joaquin Arambula (D-Fresno) as their next leader or the “convener” of the caucus. The decision was made during the group’s retreat that occurred earlier in the month. The caucus is a bloc of centrist, business-friendly Democratic Assemblymembers from throughout the state who serve as a counterweight to those farther left on the political spectrum. Members of the caucus tend to be more conservative on some key issues, such as taxes.

Finally, the Governor announced the special election dates to fill Senator Jeff Stone’s vacant seat after he abruptly resigned to accept a position within the Trump Administration. The primary election will be on March 3, 2020 and the run-off will be on May 12, 2020.

Elected Officials Contacted on Behalf of SCAQMD:

California Advisors met with the following legislators or their offices on behalf of the South Coast Air Quality Management District:

Senate:

Ben Allen (SB 732), Toni Atkins (SB 732), Maria Elena Durazo (SB 732), Lena Gonzalez (SB 732), Anthony Portantino (SB 732)

Assembly:

Wendy Carrillo (SB 732), Anthony Rendon (SB 732), Miguel Santiago (SB 732)

2019 Legislative Update

Voting District Authorization for Clean Air Legislation

SB 732 (Allen) was pulled from Senate Appropriations Committee at the request of the author on May 13th. We have continued to facilitate stakeholder meetings and work with the author on the legislation over the last year.



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

925 L ST. · SUITE 250 · SACRAMENTO, CA 95814-3766

916 441-0597 · FAX 916 441-5061

Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – December 2019

DATE: Monday, December 30, 2019

As we approach the Holiday Seasons, it is a reminder that the next legislative session is upon us. The Legislature is scheduled to reconvene on January 6, 2020 with legislative deadlines to advance 2-year bills as early as January 17, 2020. The Governor will also be releasing his proposed State Budget on January 10, 2020.

COMMUNITY AIR PROTECTION PROGRAM:

On December 13, 2019, the California Air Resources Board (CARB) added 3 new communities to the Community Air Protection Program and announced \$5 million in Community Air Grants for 29 projects throughout the state.

The 3 communities, Eastern Coachella Valley, South East Los Angeles and Southwest Stockton, will be added to the original 10 communities selected in 2018 during the first round of approvals under AB 617 (C. Garcia, 2017), which establishes the program to reduce exposure in the communities most impacted by air pollution.

Under the Community Air Protection Program, local air districts work with community members and conduct air monitoring and prepare community emissions reduction programs. These include a mix of strategies to reduce air pollution at the community level, including new regulations, targeted incentive funding, enhanced enforcement, and coordinating efforts with other agencies based on community priorities.

The 3 communities chosen for the program this year were selected from among 12 nominations. Communities are nominated for the program by community members, local air districts, community-based organizations and other stakeholders. CARB staff performs a technical assessment of nominated communities followed by public comment. The Board makes the final decision on community selection.

This year, the Eastern Coachella Valley and the South East Los Angeles communities were selected for both community air monitoring and community emissions reduction programs. In addition, the Portside Environmental Justice Neighborhoods Community selected last year in the San Diego Air Pollution Control District was selected to transition from air pollution monitoring to development of a community emissions reduction program.

At the December CARB meeting, the Board also announced the recipients of the second round of Community Air Grants. A total of 29 projects across seven air districts will receive \$5 million in funding for technical and educational projects. The projects include:

- Coalition for a Safe Environment that will establish a low-cost, stationary air quality monitoring program in Wilmington and will also create a Community Advisory Committee; student and adult internship training programs; and a public website for displaying monitoring data.
- Blue Lake Rancheria will bring hands-on air quality monitoring and AB 617-focused curriculum to local elementary and high schools in the North Coast Air Basin.
- Valley Vision will engage the Norwood/Old North Sacramento and Oak Park communities through education and workshops on AB 617 and support community-led air monitoring efforts.

GOVERNOR'S APPOINTMENTS

On December 5, 2019, Alejandro Espinoza, 38, of Sacramento, was appointed deputy secretary for legislation at the California State Transportation Agency. Espinoza has served as a legislative representative at the California Department of Education since 2012. He held several positions in the Office of Assemblymember Warren T. Furutani from 2009 to 2012, including legislative director and legislative aide. Espinoza earned a Master of Arts degree in political science from Texas A&M University. This position does not require Senate confirmation.

On December 19, 2019, Meredith Williams, 57, of San Francisco, was appointed director of the Department of Toxic Substances Control, where she has served as acting director since 2019 and as deputy director of safer products and workplace programs since 2013. Williams held several positions at the San Francisco Estuary Institute – Aquatic Science Center from 2006 to 2013, including interim executive director, deputy director, program director of the environmental data, information and technology program and senior project manager. She held various positions at Applied Materials from 1995 to 2005, including, business operations manager, product manager, new product development manager and senior process engineer. She was a senior research physicist at 3M from 1994 to 1995. Williams earned a Doctor of Philosophy degree in physics from North Carolina State University. This position requires Senate confirmation

2020 LEGISLATIVE CALENDAR:

January Deadlines

Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).

Jan. 6 Legislature reconvenes (J.R. 51(a)(4)).

Jan. 10 Budget must be submitted by Governor (Art. IV, Sec. 12(a)).

Jan. 17 Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the odd-numbered year (J.R. 61(b)(1)).

Jan. 20 Martin Luther King, Jr. Day.

Jan. 24 Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year. (J.R. 61(b)(2)). 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 (J.R. 61(b)(3)) (Art. IV, Sec. 10(c)).

February Deadlines

Feb. 17 Presidents' Day.

Feb. 21 Last day for bills to be **introduced** (J.R. 61(b)(4), J.R. 54(a)).

March Deadlines

Mar. 27 Cesar Chavez Day observed.

April Deadlines

Apr. 2 Spring Recess begins upon adjournment (J.R. 51(b)(1)).

Apr. 13 Legislature reconvenes from Spring Recess (J.R. 51(b)(1)).

Apr. 24 Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(b)(5)).

May Deadlines

May 1 Last day for **policy committees** to meet and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).

May 8 Last day for **policy committees** to meet prior to June 1 (J.R. 61(b)(7)).

May 15 Last day for **fiscal committees** to hear and report to the **floor** bills introduced in their house (J.R. 61 (b)(8)). Last day for **fiscal committees** to meet prior to June 1 (J.R. 61 (b)(9)).

May 25 Memorial Day.

May 26-May 29 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 (J.R. 61(b)(10)).

May 29 Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).

June Deadlines

June 1 Committee meetings may resume (J.R. 61(b)(12)).

June 15 Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).

June 25 Last day for a legislative measure to qualify for the Nov. 3 General Election ballot (Elections Code Sec. 9040).

June 26 Last day for **policy committees** to hear and report fiscal bills to fiscal committees (J.R. 61(b)(13)).

July Deadlines

July 2 Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)).

Summer Recess begins upon adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).

July 3 Independence Day observed.

August Deadlines

Aug. 3 Legislature reconvenes from **Summer Recess** (J.R. 51(b)(2)).

Aug. 14 Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).

Aug. 17-31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(16)).

Aug. 21 Last day to **amend** bills on the floor (J.R. 61(b)(17)).

Aug. 31 Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(18)). Final Recess begins upon adjournment (J.R. 51(b)(3)).

RESOLUTE

January 7, 2020

To: South Coast Air Quality Management District
From: David Quintana, Partner – RESOLUTE
RE: Report for December 2019

General Update:

The Legislature is adjourned. The Legislature will reconvene on January 6, 2020.

Legislative Update:

Met with Senator Ben Allen's staffer Zak Castillo Krings

Spoke with Assemblyman Eduardo Garcia

Spoke with Assemblywoman Laura Friedman

Spoke with Steve Veres, District Director for Senator Maria Elena Durazo

ATTACHMENT 4



South Coast

Air Quality Management District

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HOME RULE ADVISORY GROUP

Wednesday, July 10, 2019

MEETING MINUTES

MEMBERS PRESENT:

Mike Carroll (Regulatory Flexibility Group); Curt Coleman (Southern California Air Quality Alliance); Carlo De La Cruz (Sierra Club); Martin Hansberger (Holliday Rock Company); Francis Keeler (California Council for Environmental & Economic Balance); Bill LaMarr (California Small Business Alliance); Bridget McCann (Western States Petroleum Association); Art Montez (AMA International); Lauren Nevitt (Southern California Gas); and David Rothbart (Los Angeles County Sanitation District).

Participated by conference call: Brian Clerico (CARB); Rongsheng Luo (SCAG); Larry Rubio (Riverside Transit Agency); TyRon Turner (Dakota Communications); and Amy Zimpfer (EPA).

MEMBERS ABSENT:

Vice Chair Ben Benoit (South Coast AQMD Governing Board Member); Marc Carrel (Breathe California of Los Angeles County); Michael Downs (Downs Energy); and Jaclyn Ferlita (Air Quality Consultants).

OTHER ATTENDEES:

Susan Stark (Marathon)

SOUTH COAST AQMD STAFF:

Marian Coleman (Deputy Executive Officer, Compliance & Enforcement); Philip Fine (Deputy Executive Officer, PRDAS); Philip Crabbe (Public Affairs Manager); Xiang Li (Air Quality Specialist); Terrence Mann (Assistant Deputy Executive Officer, Compliance & Enforcement); Rafael Reynosa (Senior Enforcement Manager); Ann Scagliola (Administrative Secretary); Victor Yip (Senior Enforcement Manager); and William Wong (Principal Deputy District Counsel).

OPENING COMMENTS AND SELF-INTRODUCTIONS

Vice Chair Ben Benoit was not present, and the meeting was called to order at 10:03 a.m. by Dr. Philip Fine.

APPROVAL OF JULY 2018 MEETING MINUTES

Dr. Fine asked for comments or corrections on the May 8, 2019 meeting minutes. Hearing none, the minutes were approved.

EPA AND FEDERAL ACTIVITIES

Ms. Amy Zimpfer provided updates on recent U.S. Environmental Protection Agency (EPA) and federal activities.

- Full approval proposed for the South Coast AQMD Ozone Plan, and the comment period will close on July 17, 2019.
- Approval proposed for a CARB measure that allows SIP credits for incentives.

- EPA’s new Acting Assistant Administrator for the Office of Air and Radiation is Ann Idsal. <https://www.epa.gov/aboutepa/about-assistant-administrator-epas-office-air-and-radiation>
- Work continues with South Coast AQMD on changes for the RECLAIM program.
- Finalized the Coachella Valley ozone nonattainment area from “Severe-15” to “Extreme” for the 1997 8-hour ozone national ambient air quality standards (NAAQS), effective July 10, 2019.

CARB REGULATORY ACTIVITIES

Mr. Brian Clerico provided updates on proposed and recent regulatory activities. He also invited CARB staff Ms. Angela Csondes and Ms. Nicole Light Densberger to provide to an overview of a significant control measure on the July CARB Board agenda:

- Proposed Control Measure for Ocean-Going Vessels Operating at Berth and At Anchor Regulation (Shore Power).

Discussion

Ms. Frances Keeler inquired if the exceptions listed in the current compliance advisories will be incorporated into the new regulation. Ms. Csondes replied that the advisories will be incorporated into the new regulation.

LEGISLATIVE UPDATE

Mr. Philip Crabbe reported on key legislative updates from the June 14, 2019 Legislative Committee meeting.

Update on Federal Legislative Issues

South Coast AQMD’s federal legislative consultants each provided a written report on various key Washington, D.C. issues.

- The Diesel Emissions Reduction Act (DERA) program is pending in Congress. The House appropriations bill for the Interior and Environment, which funds programs like DERA, was passed by the House but is still pending in the U.S. Senate.
- The funding from the Targeted Airshed Grant (TAG) program which supports clean air initiatives for non-attainment areas is going to be used to increase funding for the DERA program. South Coast AQMD targeted the California Congressional delegation, key senior staff, Congressional Members from other affected states and businesses to prevent the redirection of TAG funds to DERA.

Update on State Legislative Issues

South Coast AQMD’s state legislative consultants provided written reports on various key issues in Sacramento.

- The California state budget, worth \$214.8 billion, was passed by the Legislature. Budget trailer bills, that implement policy related to the budget, were also passed including one that allocated \$245 million for incentive funding and \$50 million for AB 617 program implementation, to local air districts statewide.
- Two new state senators were elected: 1) Senator Brian Dahle – District 1; and Senator Lena Gonzalez – District 33.

Update on Legislation Regarding Voting District Authorization for Clean Air

An update regarding the South Coast AQMD-sponsored Voting District Authorization for Clean Air bill was provided.

- The South Coast AQMD staff continue to meet with stakeholders regarding SB 732 (Allen), including transportation agencies: 1) San Bernardino County Transportation Authority (SBCTA); 2) Riverside County Transportation Commission (RCTC); and 3) Orange County

Transportation Authority (OCTA). Staff held meetings with the Los Angeles County Metropolitan Transportation Authority (LA Metro) and Metrolink.

Recommend Position on State Bills:

SB 216 (Galgiani) Carl Moyer Memorial Air Quality Standards Attainment Program: used heavy-duty truck exchange.

- This bill would, until January 1, 2025, add a used heavy-duty truck exchange program as an eligible project for funding under the Carl Moyer Program. The bill is intended to create an incentive for larger companies – that are more financially equipped – to help smaller companies get older and dirtier trucks off the road by “passing through” a scrappage incentive.
- The bill would allow larger companies to buy a new truck and pass on their used, but still relatively clean trucks onto the smaller company. The smaller company would then either scrap or move out of state its higher emitting older truck and the larger company would receive the incentive.

South Coast AQMD staff recommended amendments to the bill:

- The bill requires that vehicles purchased as part of the truck exchange remain in the state during the vehicles’ entire project life. This requirement would be more stringent than the Carl Moyer program, which only requires at least 51% of the project life. Staff recommended amending the bill to make this requirement consistent with Moyer and state regulations.
- To ensure that the truck exchange results in actual emission reductions, staff recommended clarifying amendments that would:
 - Require that new vehicles purchased as part of the truck exchange meet or emit less than at least one of CARB’s optional low-NOx engine standards; and
 - Require owners of fleets purchasing a new vehicle as part of the program, to sell or otherwise provide their existing vehicle to the owner of a vehicle that is either higher emitting than the vehicle being transferred, or is older, if the trucks are certified at the same emission standard. The higher emitting or older vehicle would be scrapped or permanently moved out of state.

The Legislative Committee adopted a position of SUPPORT WITH AMENDMENTS on this item.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

Mr. William Wong had no updates for the provided July 2019 status report.

Discussion

Mr. Bill LaMarr inquired if the Sherwin Williams lawsuit was because of non-compliant solvents. Mr. Wong responded that he could not provide details, but there was an interest in reaching a settlement.

SOUTH COAST AQMD COMPLAINT REPORTING PROGRAM

Ms. Marian Coleman, Mr. Terrence Mann, Mr. Victor Yip and Mr. Rafael Reynosa, from the Compliance and Enforcement Division, provided presentations on two focused areas of the complaint reporting/investigation process and the Emergency Response Program.

Mr. Yip provided an overview on how complaints are reported through the telephone hotline or the online complaint reporting system, the types of complaints received and number of complaints received annually. He highlighted examples of the types of dust and smoke complaints received, and outlined how odor complaints are investigated and enforced. Also shared was an odor

complaint situation where the use of advanced technology assisted them with a high profile investigation, through the use of an optical gas imaging camera, ambient air sampling equipment and online resources.

Mr. Reynosa shared key points of the South Coast AQMD's Emergency Response Program. The South Coast AQMD is not a First Responder, however as an Emergency Response Team, 24/7 on-scene support and technical expertise is provided to First Responders (local fire departments, state and federal agencies). He explained how the Emergency Response Team responds and operates within the established Unified Incident Command System and outlined how continuous communication and coordination are maintained between Executive Council, Legislative, Public Affairs and Media, Science and Technology Advancement and the Emergency Response staff in the field until the team is released from the scene.

Discussion

Mr. LaMarr inquired about what has caused the increase in complaints. Ms. Coleman indicated that people have become more aware of the South Coast AQMD, the 1-800-CUT-SMOG complaint line, community outreach efforts, and the ability to file an electronic complaint. Mr. LaMarr indicated that at Community Steering Committee meetings, it has been stated that there is an abundance of unanswered complaints. Mr. Mann indicated that he reached out to the individuals who reported this and found that the South Coast AQMD staff did respond. Ms. Coleman added that a file is maintained to ensure that all complaints are addressed.

Mr. Art Montez inquired about complaints from ethnic communities versus more affluent communities, the level of response levels and how the complaints are mitigated. Ms. Coleman indicated that the inspectors do not go into the communities to seek complaints, and the majority of the complaints are received from Los Angeles communities. Ms. Coleman further explained that heatmaps are used to look for complaint clusters and to concentrate inspectors in problem areas, if necessary. She indicated that Legislative and Public Affairs and Media Division holds meetings in Environmental Justice communities and information is provided on the 1-800-CUT-SMOG complaint line. Mr. Montez requested data that reflects the South Coast AQMD initiatives to the minority Environmental Justice communities, in correlation to the complaints received. Dr. Fine indicated that this information could be provided by the Legislative and Public Affairs and Media Division.

After the meeting Mr. Montez was contacted and advised to submit a public records request for the requested data, and the public records link was also provided.

Mr. Carlo De La Cruz asked if there are plans to incorporate the electronic complaint reporting system in the phone app, to file complaints through the app. Ms. Coleman replied that this could be considered.

Mr. De La Cruz inquired if translation assistance is available when someone calls the compliant phone line. Ms. Coleman indicated that the South Coast AQMD has a list of certified bi-lingual employees that can provide assistance when needed.

Ms. Lauren Nevitt inquired about the odor complaint policy and how many complaints were necessary to take action against a facility. Mr. Yip indicated that six to ten verified complaints is a guideline, but there are also exceptions to consider.

Ms. Keeler commented that odor complaints are very difficult to verify and you have to consider that everyone smells the smell differently. Often you arrive on the scene and the odor is no longer occurring. These types of complaints are very complex and time consuming.

Mr. David Rothbart asked if facilities could be notified immediately when odor complaints are received, and expressed their desire to work together to have complaints resolved. Ms. Coleman indicated that most complainants do not want their information disclosed, and the goal is to identify the source of the problem and resolve the complaint.

Mr. TyRon Turner expressed appreciation for the South Coast AQMD online complaint site, and how he has used the information to instruct constituents at neighborhood council meetings on the complaint process.

Mr. Montez inquired about South Coast AQMD's authority to monitor ship emissions, if ships are regulated by EPA. Ms. Coleman indicated that both CARB and EPA regulate ships, and South Coast AQMD also has a rule which allows for the inspection of ships at the berth.

Mr. Montez noted the identified high emissions levels from both ships and locomotives, the burden placed on the manufacturers, and inquired whether the regulatory obligation is being weighed correctly. Dr. Fine acknowledged that overall ships are a major source of NOx emissions. Ms. Coleman indicated that ship emissions have been identified as a major contributor to the odor events, and a program is now in place to conduct surveillance on ships in the Ports or coastal area. Mr. Montez further inquired what EPA or the Federal government are doing about this problem. Ms. Zimpfer provided an outline of the enforcement collaboration and partnership between EPA, South Coast AQMD and the Coast Guard.

Mr. LaMarr commented that he expected to see a presentation on the complaint reporting process, specifically in the area of education. He expressed that if the South Coast AQMD is concerned about the increase in complaints, the Compliance and Enforcement Program should be directed towards the education of the business owners. Ms. Coleman replied that the goal is to increase source education. She indicated that inspectors do provide onsite training to business owners and businesses are always encouraged to call if they have questions. Mr. Wong indicated that he has reviewed many violations and noted the level of direct education provided by the inspectors. Ms. Coleman further indicated that the staff is collaborating with various city business and planning offices to also develop permit application training. She encouraged the Advisory Group to provide input on additional areas of needed source education. Mr. LaMarr suggested holding webinars for business owners. Mr. Crabbe added that businesses can also schedule a no-fault inspection with the Small Business Assistance Group, which is an educational opportunity and no violations are issued.

Mr. Rothbart indicated that companies want to stay in compliance, and suggested a forum where facilities could ask questions on the gray areas of enforcement and permit streamlining.

Ms. Bridget McCann commented that the emergency response presentation was very informative and suggested that sector specific training would be helpful. Dr. Fine expressed that there have been discussions, with the recent refinery fires, to better educate the public in the areas of emergency response. He further expressed that efforts are being made to build on the education and outreach for future AB 617 efforts, flare notification system and emergency response. Ms. Coleman noted that webinars would be a good addition to the training already provided, and the topics could be specific to areas of interest. Ms. Zimpfer emphasized that EPA's compliance staff would also be available continue the collaboration in future webinars and training.

Ms. Susan Stark expressed that there have been discussions about the odors along the coast and reaching out to the marine vessels. She suggested that an informational sheet could be provided to the shipping agents to remind them of their responsibilities and requirements.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Lauren Nevitt)

An update was provided on the following item.

- CARB is proposing to discontinue the low-NOx truck vouchers, for the hybrid and zero-emissions truck and bus incentive project (HVIP) voucher incentive program.

B. Small Business Considerations (Bill LaMarr)

No report was provided.

C. Environmental Justice and AB 617 Implementation (Curt Coleman)

An update was provided on the following items.

- Wilmington/Carson/West Long Beach AB 617 Community Steering Committee meeting, July 11, 2019.
- San Bernardino/Muscoy AB 617 Community Steering Committee meeting, July 18, 2019.
- Boyle Heights/East Los Angeles/West Commerce AB 617 Community Steering Committee meeting, July 25, 2019.
- CARB Community Air Grant Guidelines Teleconference, July 11, 2019.

Additional Updates

- Dr. Fine provided an update on the AB 617 Community Emissions Reduction Plans.

D. Climate Change (David Rothbart)

An update was provided on the following item.

- CARB's Climate Pollutant Strategy, comment period ending July 17, 2019.

REPORT TO AND FROM THE STATIONARY SOURCE COMMITTEE

Dr. Philip Fine provided a summary of items related to the June and July 2019 meetings.

- Laki Tisopulos has been appointed the new Air Pollution Control Officer at the Ventura Air Pollution Control District;
- Proposed Rule Amendments – 301, 1110.2, 1118, 1407;
- AB 617 Draft Community Emission Reduction Plans and recommendations for Year 2 communities;
- 2018 Annual Report on AB 2588;
- Status Report on Regulation XIII – New Source Review; and
- Air Quality Management Plan consultation meeting on July 19, 2019.

OTHER BUSINESS

There were no comments.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 12:32 am. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on November 13, 2019, and will be held at the South Coast AQMD in Conference Room CC-8.