

BOARD MEETING DATE: December 3, 2021

AGENDA NO. 23

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a hybrid meeting on Friday, November 12, 2021. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
State Legislative Guiding Principles	Approve as Amended
Federal Legislative Guiding Principles	Approve

RECOMMENDED ACTION:

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

Michael A. Cacciotti, Chair
Legislative Committee

LTO:PFC:DPG:ar

Committee Members

Present: Mayor Pro Tem Michael A. Cacciotti, Chair
Council Member Joe Buscaino, Vice Chair
Board Member Veronica Padilla-Campos
Senator Vanessa Delgado (Ret.)
Supervisor V. Manuel Perez
Supervisor Janice Rutherford

Absent: None

Call to Order

Chair Cacciotti called the meeting to order at 9:01 a.m.

ACTION ITEMS:

1. Recommend 2022 State and Federal Legislative Guiding Principles

Staff presented the proposed state and federal legislative guiding principles for 2022 for approval.

2022 State Legislative Guiding Principles

Mr. Philip Crabbe, Public Affairs Manager , presented on the proposed state legislative guiding principles for 2022.

Senator Delgado inquired if the Voting District Authorization proposal from prior years was included in the legislative principles. Derrick Alatorre, Deputy Executive Officer, Legislative, Public Affairs and Media, responded that there are no plans to pursue that legislation in 2022, but the proposed principles are broad enough if the Board provides direction.

Supervisor Rutherford inquired about the principle relating to the impacts and prevention of wildfires. Mr. Alatorre responded that there has been wildfire related legislation in the past to provide funding for smoke mitigation and forestry management activities.

Supervisor Rutherford asked about the employee pension item under the Administrative Operations section. Mr. Crabbe responded that this principle relates to potential legislation affecting pension benefits. Mr. Alatorre also mentioned that the Teamsters approached South Coast AQMD about a possible bill in 2022 on pensions. Supervisor Rutherford requested that the wording be changed which staff agreed to do.

Supervisor Rutherford asked about the negative fiscal impacts of COVID-19 in the same Administrative Operations section. Mr. Crabbe responded that this guiding principle has been carried forward from the previous year in case there are unexpected costs or lost revenues related to the pandemic. Supervisor Rutherford asked that the wording be changed to more accurately reflect the intent.

Supervisor Perez asked to include dust and sandstorms in guiding principles similar to wildfires. Mr. Alatorre responded in the affirmative.

Supervisor Perez emphasized the need for funding to address Salton Sea related issues. Wayne Natri, Executive Officer, responded that South Coast AQMD would continue to support legislative efforts to fund Salton Sea mitigation and restoration efforts.

Additionally, Supervisor Perez recommended pursuing legislative hearings as a strategy to help highlight South Coast AQMD's clean air priorities. Mr. Natri

concurred and indicated that staff will meet with legislative offices to pursue public hearings on South Coast AQMD air quality issues.

Board Member Padilla-Campos requested that the guiding principle relating to transportation prioritize zero-emission technologies where feasible. Mr. Nastri affirmed the importance of implementing zero-emissions technology for available applications and where supporting infrastructure exists. Staff will add language to this principle.

Board Member Padilla-Campos added that South Coast AQMD should seek AB 617 funds to add communities to the program. Mr. Nastri indicated that AB 617 is currently underfunded and to increase the number of communities, more resources and policy changes to the program are needed.

Council Member Buscaino stated that funding for the development of zero emission technologies is critical, but lowering emissions in the near-term through the use of near-zero emission technology is also important.

There was no public comment.

After discussion and direction by Board Members, staff recommended APPROVAL AS AMENDED of the proposed state legislative guiding principles for 2022.

Moved by Buscaino; seconded by Perez; unanimously approved
Ayes: Buscaino, Cacciotti, Delgado, Padilla-Campos, Perez, Rutherford
Noes: None
Abstain: None
Absent: None

2022 Federal Legislative Guiding Principles

Ms. Lisa Tanaka O'Malley, Assistant Deputy Executive Officer, Legislative, Public Affairs and Media, presented on the proposed federal legislative guiding principles for 2022.

Chair Cacciotti commented the importance of federal tax incentives to reduce financial impediments for small business owners to purchase the cleanest available trucks.

Harvey Eder, Public Solar Power Coalition, provided public comment regarding climate and environmental equity.

Staff recommended APPROVAL of the proposed federal legislative guiding principles for 2022.

Moved by Perez; seconded by Delgado; unanimously approved
Ayes: Buscaino, Cacciotti, Delgado, Padilla-Campos, Perez, Rutherford
Noes: None
Abstain: None
Absent: None

2. Update on Federal Legislative Issues

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

Ben Miller of Kadesh & Associates reported that South Coast AQMD staff met with Senator Alex Padilla's staff on issues related to attainment and the need for federal regulation of mobile sources.

Gary Hoistma of Carmen Group had no additional comments to his written report.

Amelia Jenkins of Cassidy & Associates informed the committee that the bipartisan infrastructure bill is likely to be signed into law on November 15, 2021.

Mr. Eder provided public comment regarding the need to evaluate the full life cycle and costs of fossil fuels, expressed concerns about natural gas and urged tax credits for solar energy.

3. Update on State Legislative Issues

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

Paul Gonsalves of Joe A. Gonsalves & Son informed the committee that Governor Newsom canceled his trip to the United Nations Climate Summit due to family obligations. The next cap-and-trade auction is on November 17, 2021.

David Quintana of Resolute had no update to his written report.

Ross Buckley of California Advisors, LLC reported that on November 10, 2021 the redistricting commission released draft maps for a 14-day public comment period. The state must finalize these maps by December 27, 2021.

There was no public comment.

OTHER MATTERS:

4. Other Business

There was no other business to report.

5. Public Comment Period

Mr. Eder commented on solar energy.

6. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, December 10, 2021 at 9:00 a.m.

Adjournment

The meeting adjourned at 9:58 a.m.

Attachments

1. Attendance Record
2. Recommend Approval of State and Federal Legislative Guiding Principles for 2022
3. Update on Federal Legislative Issues – Written Reports
4. Update on State Legislative Issues – Written Reports

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING (VIA HYBRID) ATTENDANCE RECORD – November 12, 2021

Board Member Veronica Padilla-Campos..... South Coast AQMD Board Member
Council Member Joe Buscaino..... South Coast AQMD Board Member
Mayor Pro Tem Michael Cacciotti..... South Coast AQMD Board Member
Senator Vanessa Delgado..... South Coast AQMD Board Member
Supervisor V. Manuel Perez..... South Coast AQMD Board Member
Supervisor Janice Rutherford..... South Coast AQMD Board Member

Jacob Haik..... Board Consultant (Buscaino)
Debra Mendelsohn..... Board Consultant (Rutherford)
Mark Taylor..... Board Consultant (Rutherford)
Amy J. Wong..... Board Consultant (Padilla-Campos)

Ross Buckley..... California Advisors, LLC
Paul Gonsalves..... Joe A. Gonsalves & Son
Gary Hoitsma..... Carmen Group, Inc.
Mark Kadesh..... Kadesh & Associates
Ben Miller..... Kadesh & Associates
Amelia Morales..... Cassidy & Associates
David Quintana..... Resolute

Mark Abramowitz
Harvey Eder..... Public Solar Power Coalition
Fernando Gayton
Bill LaMarr..... California Small Business Alliance
Tom Swenson
Janet Whittick
Peter Whittingham

Derrick Alatorre..... South Coast AQMD Staff
Debra Ashby..... South Coast AQMD Staff
Jason Aspell..... South Coast AQMD Staff
Barbara Baird..... South Coast AQMD Staff
Cindy Bustillos..... South Coast AQMD Staff
Philip Crabbe..... South Coast AQMD Staff
Stacy Day..... South Coast AQMD Staff
Sindy Enriquez..... South Coast AQMD Staff
Sheri Hanizavareh..... South Coast AQMD Staff
Anissa Cessa Heard-Johnson..... South Coast AQMD Staff
Mark Henninger..... South Coast AQMD Staff
Sujata Jain..... South Coast AQMD Staff
Aaron Katzenstein..... South Coast AQMD Staff
Jason Low..... South Coast AQMD Staff
Terrance Mann..... South Coast AQMD Staff
Matt Miyasato..... South Coast AQMD Staff
Ron Moskowitz..... South Coast AQMD Staff
Wayne Nastri..... South Coast AQMD Staff

Denise Peralta Gailey South Coast AQMD Staff
Sarah Rees South Coast AQMD Staff
Aisha Reyes..... South Coast AQMD Staff
Denny Shaw South Coast AQMD Staff
Lisa Tanaka O'Malley..... South Coast AQMD Staff
Anthony Tang..... South Coast AQMD Staff
Jill Whynot South Coast AQMD Staff
Paul Wright South Coast AQMD Staff

ATTACHMENT 2



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

South Coast AQMD's State Legislative Guiding Principles for 2022

The following goals and objectives are identified to protect public health, facilitate attainment of state and federal clean air standards within the South Coast region by statutory deadlines and address other South Coast AQMD needs and policy priorities, 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 that provide a sustainable revenue stream for clean air programs and priorities that: 1) ensure attainment of state and federal air quality standards; 2) protect public health; 3) eliminate or reduce unhealthy air pollution; 4) fund local air districts' efforts to implement Assembly Bill 617 (C. Garcia, Chapter 136, Statutes of 2017); and 5) address impacts of natural and manmade events such as wildfires, dust/sandstorms, odor or other with a focus on incentive programs and research and development projects that support applicable South Coast AQMD Air Quality Management Plans (AQMPs), and create opportunities to partner with stakeholders. Ensure that funding meant for air districts' efforts is properly allocated.

South Coast AQMD Authority / Policy Implementation

Defend and ensure adequate South Coast AQMD authority for implementation of the Board's clean air policies and programs, including those required by state and federal law and applicable South Coast AQMD AQMPs.

Surface Transportation & Goods Movement

Support and expand policy and funding considerations that promote air quality priorities in connection with the implementation of state and federal surface transportation, infrastructure and goods movement policies and programs, especially with regard to the development and deployment of zero and near-zero emission medium- and heavy-duty trucks, with a priority for zero-emission where commercially viable at scale.

State Support

Work to ensure that the state government does not impose unfunded mandates on South Coast AQMD and does its fair share to reduce air pollution within the South Coast region by providing ample funding, legislative action, regulatory action and support by the Administration to South Coast AQMD to: 1) facilitate implementation of applicable South Coast AQMD AQMPs and attainment of federal ozone and particulate matter air quality standards by upcoming deadlines; and, 2) ensure that local air districts have sufficient resources to fully implement their responsibilities and programs that are part of AB 617 (C. Garcia, 2017).

Development and Deployment of Clean Technology / Economic Stimulus

Support and advocate for legislative and administrative policies, programs and funding, including as part of any economic stimulus efforts, that promote the development and deployment of near-zero and zero emission infrastructure, equipment and vehicle technology, especially with regard to medium- and heavy-duty trucks, to: 1) protect public

South Coast AQMD's State Legislative Guiding Principles for 2022

health; 2) facilitate attainment of clean air standards; and/or 3) support a healthy economy and promote job retention/creation within the South Coast region.

Environmental Justice

Support and advocate for legislative policies and funding that: 1) promote and sustain environmental justice initiatives which reduce localized health risks resulting from criteria pollutant and toxic air contaminant emissions; 2) develop and expand access to clean air technology, especially in disproportionately impacted communities; 3) enhance community participation in decision-making; and 4) provide the resources necessary to fully implement local air districts' responsibilities and programs created through AB 617 (C. Garcia, 2017), including adding new communities to the program only if sufficient funding is provided.

Addressing Impacts of ~~Wildfires, Dust Storms and Sandstorms~~ Natural and Manmade Events

Support and advocate for legislative and administrative policies, programs and funding that: ~~1) reduce and/or mitigate air quality-related public health impacts within the South Coast region caused by wildfires, dust/sand-storms, and sandstorms; odors, or other events. and 2) reduce the number of wildfires that impact the South Coast region.~~

Climate Change

Seek to influence climate change policies and initiatives and facilitate their implementation consistent with Board policy. In particular, support efforts directing that the Greenhouse Gas Reduction Fund provide funding to maximize criteria pollutant and toxic emission reduction co-benefits that facilitate attainment of clean air standards and reduce public health impacts in the South Coast region, such as through the development and deployment of near-zero and zero-emission vehicles, equipment and fueling/charging infrastructure, especially as it relates to medium- and heavy-duty trucks.

Clean Energy

Support legislative efforts that advance the Board's Energy Policy which promotes energy efficiency, demand reduction and reliable, cost effective and clean energy for all consumers in the South Coast region, while facilitating attainment of clean air standards and providing support for a healthy economy.

Business/Jobs Climate

Support legislative policies and/or administrative actions that promote job retention and creation as well as 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.

Administrative Operations

Support and seek legislative and administrative policies, programs, funding and/or actions that ensure that South Coast AQMD can meet its administrative and operational needs, such as, but not limited to pensions, COVID-19, or other. including providing: 1) relief support to South Coast AQMD employees whose pension benefits were have been negatively impacted by recent legal and administrative actions; and 2) relief from the negative financial, policy and operational impacts caused by COVID-19.



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

South Coast AQMD's Federal Legislative Guiding Principles for 2022

The following guiding principles are identified to enable South Coast AQMD to seek rules, legislative policies, and funding levels from the federal government that will assist the South Coast Air Basin in meeting the National Ambient Air Quality Standards (NAAQS) to protect public health through practical and innovative strategies.) It is critical that South Coast AQMD work with and serve as a resource to the Administration and agencies, Congress, business, environmental, health, community, and other stakeholders.

Air Quality Funding (Authorization of Program and Policies and Appropriations of Funds)

Seek funding for air quality issues through existing and new opportunities to enable the South Coast Air Basin to reach attainment of NAAQS, including heavy-, medium-, and light-duty vehicles, trucks, off-road equipment, stationary sources and supportive agency functions such as monitoring, compliance and enforcement, permitting, outreach and other essential activities. Support key programs such as, but not limited to, Clean Trucks, Ports, Targeted Airshed Grants, the Diesel Emissions Reduction Act, Subvention Funds from Clean Air Act Section 103/105, Energy Efficiency & Renewable Energy grants, and other programs including emergencies such as wildfires.

Federal Support -- Clean Air Act, NAAQS and State Implementation Plan (SIP)

Work to ensure the federal government does its fair share to reduce air pollution in the South Coast region by providing funding and administrative/regulatory support. Advocate for policies, legislation, and/or administrative efforts to:

- Provide incentive funding, policies, and require regulatory actions sufficient to, in combination with state and local actions, attain the national ambient air quality standards for ozone by 2023 and 2031 in the South Coast Air Basin, and if standards are not attained due to lack of federal actions, provide that the Basin is not punished by sanctions, fees or other penalty for failure to timely attain.
- Provide and protect state and local regulatory authority for nonattainment areas to meet NAAQS for upcoming federal deadlines, and the South Coast AQMD to implement Air Quality Management Plans (AQMP) and attain federal ozone and particulate matter standards.
- Protect science-driven and health-based determinations of NAAQS, and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

South Coast AQMD's Federal Legislative Guiding Principles for 2022

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.

Technology Advancement

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

- Zero and near-zero emission technologies for clean vehicles (such as heavy- and medium-duty trucks, light-duty vehicles, locomotives, marine vessels, and aircraft technologies);
- Clean fuels and refueling/recharging technologies and infrastructure;
- Technologies, systems and/or processes which reduce ambient concentrations of air pollutants and/or toxic air emissions;
- Establishing programs or policies that incentivize the federal government to purchase and use advanced clean, zero and near-zero emission technologies;
- Incentivizing individuals, businesses, states, and local governments to purchase and use advanced clean, zero and near-zero emission technologies; and,
- Renewable energy and alternative energy, energy storage, microgrids and other programs, especially as related to electric and hydrogen infrastructure for transportation and emissions reductions from sources such as back-up generators.

Surface Transportation & Goods Movement

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

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.

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.

Climate Change

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

South Coast AQMD's Federal Legislative Guiding Principles for 2022

Business/Jobs

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.

Administrative Operations

Ensure that South Coast AQMD can meet its administrative and operational needs related to human resources, health and safety, COVID-19 or other issues.

ATTACHMENT 3A

KADESH & ASSOCIATES

South Coast AQMD Report for the November 2021
Legislative Meeting covering October 2021
Kadesh & Associates

Last month we reported that Congress was working on several high priority items that faced imminent deadlines. That list included: a funding agreement to avoid a potential government shutdown, action to raise or suspend the debt ceiling, and the two bills that make up much of President Biden's agenda including clean air and infrastructure investments: the Senate's bipartisan Infrastructure Investment and Jobs Act (IIJA), and the Build Back Better Act (BBBA).

However, as those deadlines approached in September and October, Congress deferred or postponed each of them. In order to avoid shutting down the federal government when the fiscal year ended on September 30, the House and Senate passed a Continuing Resolution (CR) through December 3, 2021 – rather than finalizing full-year appropriations bills. Similarly, in mid-October Congress approved a short-term debt limit extension rather than addressing the debt limit for a longer period. Finally, on October 28, the House Democratic leadership queued up a short-term surface transportation extension bill to allow for further intra-party negotiations on the IIJA and BBBA.

The difficulty in this negotiating dynamic has been a lack of trust between progressives in the House and the centrist Senators who are needed to win a vote in that chamber. House Democratic progressives want the BBBA and its climate and social investments; Senators Manchin and Sinema want the IIJA and its traditional infrastructure investments. Despite President Biden and congressional leadership's efforts, neither side has the confidence to advance the others' priorities until their own priorities are addressed.

Following weeks of negotiations between the White House and House and Senate Democrats, President Biden announced in late October that agreement was near on the BBBA. Following this announcement, the House Rules Committee published a new version of the Build Back Better bill on October 28; although this version is not final, it reflects many of the House-Senate negotiations to date. Despite the significant reductions to other parts of the BBBA, clean air and climate provisions have escaped relatively unscathed and would still represent a historic investment in those areas. The latest version of the legislation includes a rewritten provision providing \$100M to cover mitigation efforts at the Salton Sea and other similarly situated water bodies, \$5B to convert Class 6 and 7 vehicles, \$3.5 billion for zero-emission equipment and technology at ports with a 25% set-aside for nonattainment areas, another \$600M for port infrastructure and supply chain resilience, \$60M for DERA projects, and \$230.5 million for air quality monitoring via grants and other activities authorized under CAA sections 102, 103, and 105. As discussed in last month's report, many of these provisions originated in the CLEAN Future Act and other legislative vehicles that South Coast AQMD has supported and discussed with the congressional delegation. Despite the recent trend of missed deadlines, the White House and Congressional leadership remain hopeful that the IIJA and BBBA will be approved in coming weeks.

KADESH & ASSOCIATES

Kadesh & Associates Activity Summary-

- Worked with South Coast AQMD to advocate for priority items to remain in BBBA, including incentives for medium- and heavy-duty trucks, air monitoring, DERA, Salton Sea, and other issues.
- Engaged with delegation offices to monitor and report on IIJA and BBBA negotiations.
- Worked with South Coast AQMD staff on strategy to address nonattainment deadlines.

Contacts:

Contacts included staff and House Members throughout the CA delegation, especially the authors of priority legislation, members of the South Coast House delegation, and members of key committees. We have also been in touch with administration staff.

###

ATTACHMENT 3B



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

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: October 28, 2021

Re: Federal Update -- Executive Branch

Infrastructure and Reconciliation: On October 28, Congress moved to pass a stop-gap extension (to Dec. 3) of current surface transportation funding. This was necessary as intense deliberations in Congress among Democrats to finish work and hold a final vote on the \$1.2 trillion “Bipartisan Infrastructure Framework” could not be completed by the latest end-of-October deadline. The House Democratic Progressive caucus was holding the infrastructure bill to extract firm assurances that the separate pared-back \$1.75 trillion “Build Back Better” reconciliation bill would have enough votes to also pass both the House and the Senate. Many Democrats seemed confident both bills would eventually be passed but getting to final agreement on the reconciliation package was proving extremely difficult. The draft version of the reconciliation package, released on October 28, included \$550 billion for climate and clean energy, including provisions supported by South Coast AQMD such as electric vehicle subsidies, smart ports, and charging and fueling infrastructure, among others.

Truck Issues Meetings:

1. In October, Carmen Group arranged for South Coast AQMD senior staff to meet virtually with key regulatory and government affairs representatives of Cummins, Inc., one of the nation’s top truck engine manufacturers and a member of our business coalition group. The meeting included a candid discussion and exchange of ideas on the EPA’s pending ultra-low NOx rulemaking for heavy duty trucks, as well as an update on alternative advanced engine technology developments.
2. In addition, in October, Carmen Group helped coordinate for South Coast AQMD senior staff to participate in the next meeting of Alliance for Vehicle Efficiency’s (AVE’s) Ultra-Low NOx Working Group, expected to be widely attended and held virtually in December in conjunction with CALSTART. AVE is another member of our business coalition group.

Department of Transportation

California, USDOT Announce Partnership on Supply Chain Financing: On October 28, California Governor Newsom and the U.S. Department of Transportation (USDOT) announced “a strategic partnership to help facilitate innovative projects and financing opportunities for multi-billion infrastructure improvements in California.” The

Proven Process. Proven Results.™

901 F Street, NW Suite 600 Washington, DC 20004 T 202.785.0500 F 202.478.1734 carmengroup.com

agreement allows California to expedite work on projects that collectively will facilitate the movement of imports and exports, protect the environment and create resilience in critical trade corridors, and improve supply chain processes, including around San Pedro Bay and the Inland Empire. Working with the Californian State Transportation Agency (CalSTA), USDOT will assist in exploring innovative financing opportunities through its main credit assistance programs, Transportation Infrastructure Finance and Innovation Act (TIFIA) and Railroad Rehabilitation and Improvement Financing (RRIF).

FTA Announces Funding Available for Access and Mobility Grants: In October, the Federal Transit Administration announced the availability of \$3.5 million in competitive grant funding for projects that improve access to vital services for older adults and people with disabilities under its Coordinated Access and Mobility (CAM) pilot program. The program supports clean public transportation projects that FTA says will especially advance the Administration’s goals to support racial equity and underserved communities through the federal government. Applications are due December 6, 2021.

Environmental Protection Agency

EPA Bus Rebate Programs Designed to Improve Air Quality: In October, the EPA announced two school bus rebate opportunities totaling \$17 million for schools and bus fleet owners to replace older, highly polluting diesel school buses. The first opportunity is the 2021 American Rescue Plan (ARP) Electric School Bus Rebates, a \$7 million pilot program reserved exclusively for school districts in underserved communities to replace diesel buses with new zero-emission electric school buses. The second opportunity is the longstanding DERA School Bus Rebates, this year offering \$10 million to help fund the replacement of diesel buses with cleaner new electric, diesel, gasoline, propane, or natural gas school buses. Both programs will select awardees through a lottery system. Applications were due November 5, 2021.

EPA Seeks Applicants for Environmental Education Grants: In October, the EPA announced the availability of up to \$3 million for locally focused grants under the Environmental Education (EE) Local Grant Program. EPA will award grants in each of EPA’s 10 Regions. Each grant will be for no less than \$50,000 and no more than \$100,000, for a total of 30-40 grants nationwide. Applications are due December 6, 2021.

EPA Now Hosting Biweekly EJ Community Engagement Calls: The EPA is inviting Environmental Justice (EJ) advocates and the public to participate in the agency’s National Environmental Justice Community Engagement Calls, now happening biweekly, to discuss all aspects of EJ at the EPA with partners and communities.

EPA Compares Air Quality Impacts of Smoke from Wildfire and Prescribed Fire: The EPA, in collaboration with the U.S. Forest Service (USFS), the Department of the Interior (DOI) and the National Institute of Standards and Technology (NIST), released a report comparing the air quality and health impacts of smoke from prescribed fire (which is a land management tool) and from wildfire. The study concluded that while both have air quality and public health impacts, those from prescribed fire are “at a much smaller scale compared to a wildfire.”

Department of Energy

Notable Appointment:

Christian Bato, *DOE Regional Intergovernmental Affairs Specialist for the Southwest* Senator Cortez-Masto staff; Biden Campaign; SEIU; from Rancho Cucamonga, CA.

DOE Announces Research Funding for EVs and Advanced Batteries: In October, the DOE announced \$209 million in funding for 26 research projects focusing on electric vehicles, advanced batteries and connected vehicles. Critical goals include significantly reducing the cost and size of next generation battery technology and advancing extreme fast-charging to allow full vehicle charges in less than 15-minutes.

DOE Invests Funds to Produce Clean Hydrogen from Nuclear Power: In October, the Department of Energy announced \$20 million in funding for an Arizona-based project to demonstrate technology that will produce clean hydrogen energy from nuclear power. The project will produce clean hydrogen from the Palo Verde nuclear power plant in Phoenix and provide insights about integrating nuclear energy with hydrogen production technologies while informing possible future clean hydrogen deployments.

DOE Invests Funds for Point-Source Carbon Capture and Storage: In October, the Department of Energy announced \$45 million in funding for 12 projects to advance point-source carbon capture and storage that can capture at least 95% of carbon dioxide (CO₂) emissions generated from natural gas power plants and industrial facilities that produce commodities like cement and steel. DOE says these research and development projects are part of “efforts to deploy a portfolio of innovative solutions to help achieve the ... Administration’s goals of net-zero carbon emissions by 2050 and a 100% clean electricity sector by 2035.”

DOE Announces New \$2.5 Million Prize to Support Diversity in Innovation: The Department of Energy has launched the new “Inclusive Energy Innovation Prize” that will award up to \$2.5 million in cash prizes to groups and organizations that support entrepreneurship and innovation in communities historically underserved in climate and energy technology funding. The program is designed to help lower barriers of entry to DOE funding opportunities for first-time applicants, people and organizations from underrepresented communities, underserved and frontline communities, and individuals from other nontraditional backgrounds. The prize is open for initial submissions through February 25, 2022.

Outreach: Contacts included representatives of our business coalition group, including Cummins, Inc., and the Alliance for Vehicle Efficiency on ultra-low NO_x and related truck emission issues; the office of the Department of Transportation deputy assistant secretary for intergovernmental affairs on port air quality issues; and Republican Senate staff on surface transportation, infrastructure, and reconciliation legislation.

###

ATTACHMENT 3C



CASSIDY | ASSOCIATES

To: South Coast Air Quality Management District
From: Cassidy & Associates
Date: October 27, 2021
Re: October Report

HOUSE/SENATE

House:

This week the House is in session and expects to consider:

- H.R. 2119 - Family Violence Prevention and Services Improvement Act
- H.R. 3992 - POJA Act
- Possible Consideration of the [Senate Amendment](#) to H.R. 3684 - Infrastructure Investment and Jobs Act
- Possible Consideration of the Build Back Better Act
- Possible Consideration of [H.R. 3992](#) - Protect Older Job Applicants Act of 2021

Earlier this month, the House passed an extension of the debt limit until December. The Appropriations/Budget process has also been punted to early December. This Sunday, the extension of the Surface Transportation Reauthorization deadline will expire unless Congress passes another short-term extension or the infrastructure package.

Senate:

The Senate is also in session and will consider the confirmation of Douglas L. Parker to be an Assistant Secretary of Labor and Myrna Perez to be a U.S. Circuit Judge for the Second Circuit.

Reconciliation negotiations continue among the White House, House Leadership, and Senate leadership with a focus on bringing moderate Democrats (most notably Senators Manchin and Sinema) to an agreement a variety of issues including state and local taxes (SALT), corporate taxation, and a clean energy tax package. They are hoping to have a framework agreed to soon and a vote as soon as this weekend, however, this is a very fluid situation with the status changing by the hour.

EPA:

On September 30, 2021, the EPA released a report comparing air quality and public health impacts from prescribed fire and wildfire smoke. In collaboration with the Forest Service (USFS), the Department of the Interior (DOI), and the National Institute of Standards and Technology (NIST), the EPA's report found that while a prescribed fire can reduce the overall size of a future wildfire and the associated smoke emissions and smoke-related health impacts, smoke is still emitted. As a result, using prescribed fire is not without risk as it can result in smoke related air quality and public health impacts, but at a much smaller scale compared to a wildfire.

Prescribed fire is a land management tool that can reduce the likelihood of catastrophic wildfires by strengthening an area's ecosystems and reducing the buildup of unwanted fuels. In January 2020, the Wildland Fire Leadership Council (WFLC), an intergovernmental committee that supports the implementation and coordination of Federal Wildland Fire Management Policy asked EPA to assess air quality and health impacts of smoke from prescribed fire compared to wildfire. The report can be found [here](#).

The EPA released their Draft Fiscal Year (FY) 2022-2026 EPA Strategic Plan and is available for public comment through November 12, 2021. The Strategic Plan communicates and provides a roadmap to achieve EPA's and the Biden-Harris Administration's priorities over the next four years. For the first time, EPA's plan includes a strategic goal focused solely on addressing climate change, as well as an unprecedented strategic goal to advance environmental justice and civil rights. The final plan will be released in February 2022. More information on the draft and how to submit comments can be found [here](#).

On October 7, 2021, the EPA published its 2021 Climate Adaptation Action Plan. The climate adaptation web page will also serve as a hub for climate resources. The Climate Adaptation Action Plan describes steps the EPA will take to address the impacts of climate change on communities across the Nation, as part of President Biden's whole-of-government approach to confronting the climate crisis. The plan and the climate adaptation resource hub can be found [here](#).

EPA Administrator Regan announced a comprehensive national strategy to address PFAS pollution on October 18, 2021. The Strategic Roadmap is centered on three guiding strategies: increase investments in research, leverage authorities to take action now to restrict PFAS chemicals from being released into the environment, and to accelerate the cleanup of PFAS contamination. The Roadmap lays out:

- Aggressive timelines to set enforceable drinking water limits under the Safe Drinking Water Act to ensure water is safe to drink in every community.
- A hazardous substance designation under CERCLA, to strengthen the ability to hold polluters financially accountable.
- Timelines for action—whether it is data collection or rulemaking—on Effluent Guideline Limitations under the Clean Water Act for nine industrial categories.
- A review of past actions on PFAS taken under the Toxic Substances Control Act to address those that are insufficiently protective.

- Increased monitoring, data collection and research so that the agency can identify what actions are needed and when to take them.
- A final toxicity assessment for GenX, which can be used to develop health advisories that will help communities make informed decisions to better protect human health and ecological wellness.
- Continued efforts to build the technical foundation needed on PFAS air emissions to inform future actions under the Clean Air Act.

Over the coming weeks, EPA will engage with a wide range of stakeholders to continue to identify collaborative solutions to the PFAS challenge, including two national webinars that will be held on [October 26](#) and [November 2](#). Webinar information and RSVP options are found in the hyperlinked dates.

Cassidy and Associates support in October:

- Tracked and advocated for key provisions in bicameral reconciliation negotiations.
 - South Coast AQMD priorities proposed to be added to the bill include funding for EV infrastructure, clean heavy duty vehicles, and environmental justice block grants.
- Tracked and advocated for key provisions in appropriations legislation.
- Participated in weekly strategy sessions and kept South Coast AQMD apprised of relevant legislative and administrative developments.

IMPORTANT LEGISLATIVE DATES

October 31, 2021

Surface transportation authorization (FAST Act) expires

December 3, 2021

Current government funding expires and the national debt limit extension ends.

December 31, 2021

Expiration of:

- Expansions of earned income tax, child tax, and child and dependent care tax credits
- Employee retention credit
- Medicare sequestration
- Several tax extenders, including for energy and mortgage insurance premiums

PANDEMIC RESPONSE PROGRAMS AND AUTHORITIES

On October 20, 2021, FDA took action to expand the use of a booster dose for COVID-19 vaccines in eligible populations. The agency is amending the emergency use authorizations (EUA) for COVID-19 vaccines to allow for the use of a single booster dose as follows:

- The use of a single booster dose of the Moderna COVID-19 Vaccine that may be administered at least 6 months after completion of the primary series to individuals:
 - 65 years of age and older
 - 18 through 64 years of age at high risk of severe COVID-19
 - 18 through 64 years of age with frequent institutional or occupational exposure to SARS-CoV-2
- The use of a single booster dose of the Janssen (Johnson and Johnson) COVID-19 Vaccine may be administered at least 2 months after completion of the single-dose primary regimen to individuals 18 years of age and older.
- The use of each of the available COVID-19 vaccines as a heterologous (or “mix and match”) booster dose in eligible individuals following completion of primary vaccination with a different available COVID-19 vaccine.
- To clarify that a single booster dose of the Pfizer-BioNTech COVID-19 Vaccine may be administered at least 6 months after completion of the primary series to individuals 18 through 64 years of age with frequent institutional or occupational exposure to SARS-CoV-2.

Additional information can be found [here](#). FDA's media briefing can be accessed on FDA's [YouTube page](#).

On October 19, 2021, the FDA approved an abbreviated new drug application for [succinylcholine chloride](#) injection USP 200 mg/10 mL, which is indicated, in addition to general anesthesia, to facilitate tracheal intubation and to provide skeletal muscle relaxation during surgery or mechanical ventilation. Side effects of succinylcholine chloride injection include anaphylaxis, hyperkalemia, and malignant hyperthermia. The FDA recognizes the increased demand for certain products during the COVID-19 public health emergency, and we remain deeply committed to facilitating access to safe and effective medical products to help address critical needs of the American public.

On Tuesday October 5, the FDA issued a [safety communication](#) to alert test users, caregivers, health care personnel and the public of the potential for false positive results with certain lots of the Ellume COVID-19 Home Test due to a recently identified manufacturing issue. A “false positive” is a test result that says a person has the virus when they do not actually have it. Negative test results do not appear to be affected by the manufacturing issue. The FDA is not aware of any confirmed serious injuries or deaths related to the false positive results with the affected Ellume COVID-19 Home Tests at this time. The FDA is working with Ellume to assess

Ellume's additional manufacturing checks and other corrective steps to address the reason for the manufacturing issue and help ensure that the issue is resolved. A complete list of affected Ellume COVID-19 Home Tests can be found on [Ellume's website](#). You can read the full FDA Safety Communication by clicking [here](#).

FDA issued an emergency use authorization (EUA) for the ACON Laboratories Flowflex COVID-19 Home Test, an over-the-counter (OTC) COVID-19 antigen test, which adds to the growing list of tests that can be used at home without a prescription, on October 5, 2021. This action highlights FDA's continued commitment to increasing the availability of appropriately accurate and reliable OTC tests to meet public health needs and increase access to testing for consumers. The authorization for the ACON Laboratories Flowflex COVID-19 Home Test should significantly increase the availability of rapid, at-home tests and is expected to double rapid at-home testing capacity in the U.S. over the next several weeks. Since March 2020, FDA has authorized more than 400 COVID-19 tests and sample collection devices, including authorizations for rapid, OTC at-home tests. You can find the full press release and additional information by clicking [here](#).

Reminders:

- FDA holds weekly Virtual Town Halls on COVID Diagnostics, every Wednesday – from 12:15 to 1:15 pm ET. For more information, click [here](#).
- FDA hosts regular webinars to share information and answer your questions about respirators and other personal protective equipment (PPE). The next webinar will be held on February 23 at 12:00 pm ET. For more information, click [here](#).
- [FDA's Coronavirus Disease 2019 \(COVID-19\) webpage](#) provides the latest news and information.
- FDA's COVID-19 Vaccines webpage at www.fda.gov/covid19vaccines highlights new information as it becomes available.
- For a Vaccine Development 101 click [here](#)
- Emergency Use Authorization for Vaccines Explained can be found [here](#)
- FDA Vaccine Facts - [The Path for a COVID-19 Vaccine from Research to Emergency Use Authorization](#)
- FDA's webpage - [A Closer Look at COVID-19 Diagnostic Testing](#) - provides health care providers and other public health professionals, including those who might purchase COVID-19 tests, with more technical information and resources.

End Date/Program

March 27, 2025

Special inspector General for Pandemic Recovery

Sept. 30, 2025

Pandemic Response Accountability Committee, Congressional Oversight Commission

AGENCY RESOURCES

USA.gov is cataloging all U.S. government activities related to coronavirus. From actions on health and safety to travel, immigration, and transportation to education, find pertinent actions [here](#). Each Federal Agency has also established a dedicated coronavirus website, where you can find important information and guidance. They include: Health and Human Services ([HHS](#)), Centers of Medicare and Medicaid ([CMS](#)), Food and Drug Administration ([FDA](#)), Department of Education ([DoED](#)), Department of Agriculture ([USDA](#)), Small Business Administration ([SBA](#)), Department of Labor ([DOL](#)), Department of Homeland Security ([DHS](#)), Department of State ([DOS](#)), Department of Veterans Affairs ([VA](#)), Environmental Protection Agency ([EPA](#)), Department of the Interior ([DOI](#)), Department of Energy ([DOE](#)), Department of Commerce ([DOC](#)), Department of Justice ([DOJ](#)), Department of Housing and Urban Development ([HUD](#)), Department of the Treasury ([USDT](#)), Office of the Director of National Intelligence ([ODNI](#)), and U.S. Election Assistance Commission ([EAC](#)).

Helpful Agency Contact Information:

U.S. Department of Health and Human Services – Darcie Johnston (Office – 202-853-0582 / Cell – 202-690-1058 / Email – darcie.johnston@hhs.gov)

U.S. Department of Homeland Security – Cherie Short (Office – 202-441-3103 / Cell – 202-893-2941 / Email – Cherie.short@hq.dhs.gov)

U.S. Department of State – Bill Killion (Office – 202-647-7595 / Cell – 202-294-2605 / Email – killionw@state.gov)

U.S. Department of Transportation – Sean Poole (Office – 202-597-5109 / Cell – 202-366-3132 / Email – sean.poole@dot.gov)

ATTACHMENT 4A



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 – October 2021

DATE: Wednesday, October 27, 2021

The month of October was quiet around the Capitol as Legislators returned to their districts during the interim. Governor Newsom had until October 10, 2021 to sign all legislation sent to him. In total, the Legislature sent the Governor 836 bills, 313 Senate bills and 523 Assembly bills, of which, the Governor signed 770 into law and vetoed only 66.

There are over 1600 two-year bills that will be eligible to be heard in January when the Legislature returns on January 3, 2022. All two-year bills in their house of origin will have until the end of January 2022 to move to the other house, meaning all two-year Assembly bills must move to the Senate and two-year Senate bills must move to the Assembly. In general, bills that fail to pass out of the house of origin by the end of January become dead bills.

Mid-February 2022 will be the bill introduction deadline and we expect to have another 2000+ bills introduced. Consequently, we anticipate a very fast and furious start to next year's legislative session.

The following will provide you with updates of interest to the District:

EXECUTIVE ORDER TO HELP TACKLE SUPPLY CHAIN ISSUES

On October 20, 2021, Governor Newsom signed an executive order directing state agencies to identify additional ways to alleviate congestion at California ports. The executive order builds on earlier efforts this year by the Governor's Office of Business and Economic Development (GO-Biz) to ease supply chain issues by engaging

stakeholders along the supply chain to discuss key challenges and identify short-term and long-term solutions.

The executive order directs state agencies to continue coordinating with the Biden-Harris Administration Supply Chain Disruptions Task Force to address state, national and global supply chain challenges. The executive order also directs the Department of Finance to work with state agencies to develop longer-term solutions that support port operations and goods movement for consideration in the January 10, 2022 Governor's Budget, which may include port and transportation infrastructure improvements, electrification of the goods movement system from port to delivery, and workforce development.

Additionally, the executive order directs state agencies to identify state-owned properties and other locations that could be available to address short-term storage needs once goods are unloaded from ships; to identify priority freight routes to be considered for a temporary exemption to current gross vehicle weight limits to allow trucks to carry additional goods; and to create workforce training and education programs. AB 639's (Cervantes, 2020) implementation is also expedited through this executive order.

We will continue to keep you apprised as this issue progresses.

WAREHOUSE POLLUTION

On October 13, 2021, California Attorney General Rob Bonta and the California Air Resources Board (CARB) filed a motion to intervene in support of South Coast Air Quality Management District's (SCAQMD) rule requiring warehouses to reduce emissions from heavy-duty sources of on-road pollution that visit those warehouses.

SCAQMD's Indirect Source Rule requires existing and new warehouse facilities larger than 100,000 square feet to select from a menu of emissions-reducing activities, like purchasing zero-emission vehicles, installing air filtration systems in nearby residences, and constructing rooftop solar panels. The rule is projected to create up to \$2.7 billion in public health benefits, far outweighing industry's projected compliance costs.

Last month, the California Trucking Association filed a lawsuit challenging the rule as outside the scope of the SCAQMD's authority, preempted by federal law, and an unlawful tax. Attorney General Bonta and CARB argue that SCAQMD's Indirect Source Rule fulfills its prior commitment to control indirect source emissions from warehouses and that state and federal law provides SCAQMD with the legal authority to adopt the Indirect Source Rule. The Indirect Source Rule does not include an illegal tax and the California Trucking Association's arguments misinterpret the law.

We will continue to keep you apprised as this issue progresses.

GOVERNOR NEWSOM TO ATTEND UNITED NATIONS CLIMATE CHANGE CONFERENCE

On October 25, 2021, Governor Gavin Newsom announced that he will join global leaders at the United Nations Climate Change Conference in Glasgow, Scotland next week to highlight California's groundbreaking policies to combat the intensifying climate crisis and rally the global community to end their reliance on oil. Governor Newsom will be joined by First Partner Jennifer Siebel Newsom, senior Administration officials and state legislators.

California has become a working model for how to aggressively fight the climate crisis while bolstering the clean economy. Though California has made remarkable progress, the Governor will make the case that the state needs national and international partners to join us in committing to safeguard our future. California will bring renewable and zero-emission solutions to the global stage as climate-change fueling fossil fuels still power over 80% of the global energy system.

California's leading climate policies have seen the state exceed its 2020 climate target 4 years ahead of schedule, created 6 times more clean jobs than fossil fuel jobs, catalyzed innovation, thereby making electric vehicles California's number one export, and spurred partnerships across the United States and around the world.

Members of the delegation will attend various portions of the two-week event, which spans October 31 – November 12. The delegation includes:

- First Partner Jennifer Siebel Newsom
- Senator Josh Becker (D-Menlo Park)
- Senator Lena Gonzalez (D-Long Beach)
- Senator Robert Hertzberg (D-Van Nuys)
- Senator John Laird (D-Santa Cruz)
- Senator Bob Wieckowski (D-Fremont)
- Assembly Speaker Anthony Rendon (D-Lakewood)
- Assemblymember Isaac Bryan (D-Los Angeles)
- Assemblymember Lisa Calderon (D-Whittier)
- Assemblymember Laura Friedman (D-Glendale)
- Assemblymember Eduardo Garcia (D-Coachella)
- Assemblymember Tasha Boerner Horvath (D-Encinitas)
- Assemblymember Al Muratsuchi (D-Torrance)
- Assemblymember Luz Rivas (D-Arleta)
- Assemblymember Mark Stone (D-Scotts Valley)
- Assemblymember Christopher Ward (D-San Diego).
- Senior Climate Advisor for the Governor Lauren Sanchez
- California Environmental Protection Agency Secretary Jared Blumenfeld
- California Natural Resources Agency Secretary Wade Crowfoot
- California Department of Food and Agriculture Secretary Karen Ross
- California Air Resources Board Chair Liane Randolph

- California Energy Commission Chair David Hochschild

We will continue to keep you apprised as this issue progresses.

LEGISLATIVE DEADLINES

2021

October 10: Deadline for Governor to take action on legislation.

2022

January 1, 2022: Statutes take effect

January 3, 2022: Legislature reconvenes

January 10, 2022: Budget must be submitted by Governor

January 14, 2022: Last day for policy committees to hear and report to fiscal committees' fiscal bills introduced in their house in the odd-numbered year.

January 21, 2022: 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.

January 31, 2022: Last day for each house to pass bills introduced in that house in the odd-numbered year.

February 18, 2022: Last day for bills to be introduced

South Coast Air Quality Management District Legislative and Regulatory Update – October 2021

❖ Important Dates

- Jan. 1 – Statutes take effect.
- Jan. 3 – Legislature reconvenes.
- Jan. 10 – Budget must be submitted by Governor.
- Jan. 14 – Last day for policy committees to hear and report to fiscal committees the fiscal bills introduced in their house in the previous Session.
- Jan. 21 – Last day for any committee to hear and report to the floor bills introduced in that house in the previous Session.
- Jan. 21 – 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 previous Session.
- Feb. 18 – Last day for bills to be introduced.

❖ RESOLUTE Actions on Behalf of South Coast AQMD. RESOLUTE partners David Quintana and Jarrell Cook continued their representation of SCAQMD before the State's Legislative and the Executive branch. Selected highlights of our recent advocacy include:

- Organized and orchestrated a series of meetings with Senator Lena Gonzalez and her staff to work with South Coast AQMD in the upcoming Legislative Session. During RESOLUTE's meetings, Senator Gonzalez invited SCAQMD to participate in an informational hearing that she was planning with her staff.
 - Senator Gonzalez' proposed informational hearing would address near-term emissions reduction, building on the work SCAQMD did this year to grow a coalition of ports, air districts, and private entities to obtain funding in the state budget to replace diesel trucks on the road with zero and near-zero emission vehicles.
 - This informational hearing would tentatively take place in the first quarter of 2022. However, Senator Gonzalez' staff indicated that the ongoing port congestion issue would likely be the Senator's priority. If the state saw progress on resolving the issue before the New Year, then the Senator and her staff would resume planning the informational hearing on emissions reduction.
- RESOLUTE was also able to engage Senator Gonzalez on the issues that SCAQMD was facing with the Air Resources Board. As a result of our conversation, Senator Gonzalez offered to serve as a broker between CARB and SCAQMD to help move the needle on high priority issues for the District.
 - RESOLUTE is currently working with Senator Gonzalez' staff to set up a briefing by SCAQMD staff to educate her on the needs and challenges the District is facing. We are expecting to finalize the agenda and details of the meeting in November.

❖ New Legislative Calendar Released. The [Assembly](#) and [Senate](#) have released their respective legislative calendars for the upcoming 2022 Legislative Session. Stakeholders should note that we should expect action on two-year bills and unallocated budget funds in January. Lawmakers and advocates will also have a truncated session with less time than last year to introduce and move legislation in this second year of the two-year Legislative Session.

- ❖ **Assembly Staff Returns to the Capitol; Senate Staff Remains Mostly Remote.** Per the direction of Assembly leadership, staff of the members of the Assembly have returned to work in-person in Sacramento. However, Senate leadership has maintained the semi-remote protocols that they established earlier in the year—one or more staff members rotate through the office weekly while the rest work remotely.
- ❖ **Assembly Natural Resources Committee Sets Deadline for Information on Two-Year Bills.** In early October, Chair of Assembly Natural Resources Committee Luz Rivas sent a memo to members of the Assembly with two-year bills yet to be heard by the Committee. In the memo, Chair Rivas indicated that members with pending bills must inform the Committee of their desire for a hearing by November 1st. Bills that have not been noticed to the Committee staff will not be eligible to be heard in January.
- ❖ **CA Redistricting Commission Releases Preliminary District Visualizations.** On October 27, the [California Citizen's Redistricting Commission](#) released new visualizations for the proposed new districts for [Congress](#), the [State Assembly](#), and the [State Senate](#).

Early feedback that we have gleaned from state lawmakers suggest that they are dissatisfied with these preliminary lines. Some of the newly drawn district lines expand or narrow existing districts to create new head-to-head challenges among sitting lawmakers or place them in a precarious position by changing their base of support. Based on these conversations, we are expecting pushback and grassroots campaigns to revise the Commission-drawn lines.

- ❖ **Assembly and Senate Select Committees on Ports Holding a Hearing on Port Congestion.** The Assembly and Senate Select Committees on Ports and Goods Movement will be holding a joint informational hearing on November 3, 'The Perfect Storm: California's Port Congestion and Goods Movement Crisis.'

This hearing is intended to address the increasing congestion at California's ports. The incoming container volumes have overwhelmed the Ports of Los Angeles, Long Beach, and Oakland. Patrick O'Donnell, chair of the Assembly Select Committee on Ports and Goods Movement, has taken the lead in organizing this informational hearing. O'Donnell has indicated that one of his aims in this hearing is to find solutions for the container ships that "aren't only choking our supply chain, their toxic pollutants are choking our communities." Stakeholders should expect emissions and air quality to be a component of the hearing.

RESOLUTE's team has maintained a line of communication with members of O'Donnell's staff planning the meeting and, as of the time the hearing was announced, they have indicated that they have not yet finalized the agenda or specific policy objectives they're seeking to elucidate through the informational hearing.

Governor Newsom issued an [Executive Order on October 20](#) that is aimed at relieving congestion by, in part, lifting certain regulatory restrictions, "identify[ing] priority freight routes to be considered for a temporary exemption to current gross vehicle weight limits."

- ❖ **Advisory Group Releases Climate Risk Disclosure Report.** [The California Climate Risk Disclosure Advisory Group](#) has released its report, "[Developing Climate Risk Disclosure Practices for the State of California](#)" The Group—chaired by Alicia Seiger, Managing Director at the Precourt Institute's Sustainable Finance Initiative at Stanford University and Stanford Lecturer, and Kate Gordon, former Director at the Governor's Office of Planning & Research and Senior Advisor to the Governor on Climate—was created as a follow up to Newsom's Executive Order N-19-19. In the report, the Group makes 45 recommendations for government entities attempting to incorporate climate risk into their decision-making—including drafting budgets, procurement plans, incentive programs, and other investments.

- ❖ **State Auditor Elaine Howle Retiring.** State Auditor Elaine Howle has announced that she will retire at the end of 2021. Howle has served in this role for 21 years. In recent years, California’s independent auditor has played a key role in notable issues, serving as an important, non-political check on the activities of the Legislature and regulators. For example, Howle’s office released a scathing report of the Employment Development Department’s shortcomings during the outset of the pandemic.

In February 2021, Howle’s office released a [report](#) that asserted that, according to its analysis, “CARB has done little to measure the extent to which its incentive programs lead to emissions reductions by causing individuals and businesses to acquire clean vehicles that they otherwise would not,” thereby overstating its emission reduction achievements to state lawmakers.

Howle’s audit further asserted that CARB’s lack of tracking data may mean the state will fall short of meeting its 2030 GHG reduction goals. Howle’s replacement will be chosen by Governor Newsom out of a pool of three possible replacements chosen by the Legislature.

ATTACHMENT 4C



CALIFORNIA ADVISORS, LLC

South Coast AQMD Report
California Advisors, LLC
November 12, 2021 Legislative Committee Hearing

General Update

While the Legislature has been on recess since September, Sacramento has remained active. The Governor has made several major climate related announcements over the last few weeks and various policy committees have met to hold informational hearings on topics such as port congestion and reforms at the Employment Development Department.

In late October, Governor Newsom announced that the Department of Conservation's Geologic Energy Management Division released a proposed regulation that would prohibit new wells and facilities within a 3,200-foot exclusion area – or setback – from homes, schools, hospitals, nursing homes, and other sensitive locations. It would also require pollution controls for existing wells and facilities within the same 3,200-foot setback area. The rule was in part informed by a 15-member panel of public health experts and scientists.

Governor Newsom will also join global leaders at the United Nations Climate Change Conference (COP26) in Glasgow, Scotland in early November to highlight California's policies to combat the climate change and to rally the global community with an emphasis on ending reliance on oil. Though California has made remarkable progress, the Governor will make the case that the state needs national and international partners to join in committing to safeguard the future. Newsom will be joined at the conference by a delegation that includes First Partner Jennifer Siebel Newsom, 15 state legislators, and several high-ranking department heads that will include California Air Resources Board Chair Liane Randolph.

Lastly, there have been significant conversations surrounding the ports and the problems affecting the supply chain. Newsom announced he had signed an executive order directing state agencies to identify additional ways to alleviate congestion at California ports. Specifically, the order directs state agencies to continue coordinating with the Biden-Harris Administration Supply Chain Disruptions Task Force to address state, national, and global supply chain challenges. The order also directs the Department of Finance to work with state agencies to develop longer-term solutions that support port operations and goods movement for consideration in the January 10th Governor's Budget, which may include port and transportation infrastructure improvements, electrification of the goods movement system from port to delivery, and workforce development.

A coalition of business groups sent a letter asking the Governor to declare an emergency to waive labor and environmental laws to relieve the port congestion. However, the Governor's top economic advisors, Dee Dee Myers who heads the Governor's Office of Business and Economic Development has already made a statement that the Governor does not plan on declaring a state of emergency for the ports.

Budget Update

The Legislative Analyst's Office (LAO) posted an interim update to their revenue outlook for 2021-2022. This revises the May outlook to account for the most recent revenue and economic data and then compares this update to 2021-22 budget act assumptions.

The LAO noted, "We currently project that there is a good chance that collections from the state's "big three" taxes—personal income, sales, and corporation taxes—will exceed the budget act assumption of \$170 billion in 2021-22 by at least several billion dollars." An important aspect is they estimate there will be somewhere between \$8 billion and \$30 billion in unanticipated revenue. The report suggested that the wide range stems from having much of the fiscal year still ahead which leads to greater uncertainty about how much the state will collect. However, this tracks with the Department of Finance's update from last month that stated California had already collected over \$3 billion in surplus cash.

Next month, the LAO will publish a more formal update to its multiyear revenue outlook in its annual Fiscal Outlook. That update will likely help shape preparations for Governor Newsom's January budget proposal and will spark conversations within the Legislature as they contemplate next year's priorities.

Political Update

Every 10 years, after the census information is collected, California must redraw the boundaries of its Congressional, State Senate, State Assembly, and Board of Equalization districts to correctly reflect the state's population. In 2008, California established a 14-member Commission to redraw the lines. That commission is in the early stages of redrawing the maps and recently released the "visualizations" maps. These show hypothetical district-based boundaries for limited geographic areas from the line drawers in response to preliminary direction from the Commission. These visualizations are not statewide plans and are subject to change. The Commission must release Preliminary Draft District Maps no later than November 15th.