



Strengthening the Voice of Business Since 2008

March 15, 2018

Mr. Wayne Nastri
Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Dear Mr. Nastri,

These comments are presented to the South Coast Air Quality Management District ("SCAQMD" or "District") on behalf of BizFed members who own and operate facilities that comprise most of the Regional Clean Air Incentives Market ("RECLAIM") program.

In adopting the 2016 Final Air Quality Management Plan ("AQMP"), the Governing Board issued the following directive concerning the RECLAIM program:

"BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby direct staff to modify the 2016 AQMP NOx RECLAIM measure (CMB-05) to achieve the five (5) tons per day NOx emission reduction commitment as soon as feasible, and no later than 2025, and to transition the RECLAIM program to a command and control regulatory structure requiring BARCT level controls as soon as practicable, and to request staff to return in 60 days to report feasible target dates for sunseting the RECLAIM program."

As part of this effort, the District is proposing significant amendments to Regulation XX (RECLAIM) and Regulation XI with the goal of transitioning from a market-based design under RECLAIM to a command-and-control design (collectively the "RECLAIM transition").¹ The RECLAIM Transition is a "Project" under the California Environmental Quality Act ("CEQA"), requiring the evaluation of potential adverse environmental impacts. Further, as with prior amendments to the Regulation XX program, we believe the overall group of rulemakings need to be collectively considered under CEQA.

For this reason, we believe the District needs to prepare a program-level environmental assessment that considers the entire RECLAIM Transition project. We acknowledge that the Governing Board already considered a limited RECLAIM rulemaking in January; however, any additional rules to advance the RECLAIM Transition project should not be adopted and facilities should not be removed from RECLAIM until the District has completed a program-level CEQA assessment. We are concerned that a fragmented approach to the RECLAIM Transition rulemaking would constitute a piecemealing of the project.

¹ At this time, RECLAIM Transition project would include proposed amendments to Regulation XX rules, as well as Proposed Amended Rule (PAR) 301, PAR 1109 and/or Proposed Rule (PR) 1109.1, PAR 1110.2, PAR 1118.1, PAR 1134, PAR 1135, PAR 1146, 1146.1, and 1146.2, and PAR 1147, 1147.1, and 1147.2.

- BizFed's Member Alliance
- Action Apartment Association
- AIA - Los Angeles
- Airlines for America
- Alhambra Chamber
- American Beverage Association
- American Hotel & Lodging Association
- Antelope Valley Board of Trade
- Apartment Association, California Southern Cities
- Apartment Association of Greater Los Angeles
- Arcadia Association of Realtors
- Asian American Business Women Association
- Asian Business Association
- Association of Independent Commercial Producers
- Azusa Chamber
- Beverly Hills Chamber
- Beverly Hills / Greater LA Association of Realtors
- BNUSUCCESS
- Burbank Association of Realtors
- Building Industry Association, LA / Ventura Counties
- Building Owners & Managers Association, Greater LA
- Business & Industry Council for Emergency Planning & Preparedness
- CalAsian Chamber
- California Apartment Association, Los Angeles
- California Asphalt Pavement Association
- California Business Roundtable
- California Cannabis Industry Association
- California Construction Industry and Materials Association
- California Contract Cities Association
- California Employers Association
- California Fashion Association
- California Grocers Association
- California Hotel & Lodging Association
- California Independent Oil Marketers
- California Independent Petroleum Association
- California Life Sciences Association
- California Metals Coalition
- California Restaurant Association
- California Small Business Alliance
- California Sportfishing League
- California Trucking Association
- CALInnovates
- Carson Chamber of Commerce
- Carson Dominguez Employers Alliance
- CDC Small Business Finance
- Central City Association
- Century City Chamber of Commerce
- Cerritos Chamber
- Citrus Valley Association of Realtors
- Construction Industry Air and Water Quality Coalitions
- Consumer Healthcare Products Association
- Council on Trade and Investment for Filipino Americans
- Culver City Chamber
- Downey Association of Realtors
- Downtown Long Beach Alliance
- Downtown Pomona Owners Association
- El Monte/South El Monte Chamber
- Employers Group
- Engineering Contractor's Association
- F.A.S.T. - Facing Angelenos Stuck in Traffic
- FilmLA
- Foreign Trade Association
- FourPorts
- Gateway to LA
- Glendale Association of Realtors
- Glendale Chamber
- Glendora Chamber
- Greater Antelope Valley AOR
- Greater Lakewood Chamber
- Greater Los Angeles African American Chamber
- Greater Los Angeles New Car Dealers Association
- Harbor Association of Industry and Commerce
- Harbor Trucking Association
- Hollywood Chamber
- Hong Kong Trade Development Council
- Hotel Association of Southern California
- Hotel Association of Los Angeles
- Independent Cities Association
- Independent Manufacturers Council
- Inglewood Airport Area Chamber
- International Warehouse Logistics Association
- Inglewood Airport Area Chamber
- Investing in Place
- Irwindale Chamber
- Japan Business Association of Southern California
- LA Canada Flintridge Chamber
- LA Media Lab
- LAX Coastal Area Chamber
- Leadership for Urban Renewal Network
- League of California Cities
- Local Search Association
- Long Beach Area Chamber
- Los Angeles Area Chamber
- Los Angeles Black MBA Association
- Los Angeles CleanTech Institute
- Los Angeles County Bicycle Coalition
- Los Angeles County Board of Supervisors
- Los Angeles County Waste Management Association
- Los Angeles Gateway Chamber of Commerce
- Los Angeles Gay & Lesbian Chamber of Commerce
- Los Angeles Latino Chamber
- Los Angeles Parking Association
- Maple Business Council
- Motion Picture Association of America
- MoveLA
- NAIFA - OC
- NAIOP Southern California Chapter
- National Association of Soybean Growers
- National Association of Tobacco Outlets
- National Association of Women Business Owners
- National Association of Women Business Owners, LA
- National Hispanic Medical Association
- National Latina Business Owners Association
- Nederlands-America Foundation
- Orange County Business Council
- Pacific Merchant Shipping Association
- Pacific Palisades Chamber
- Panorama City Chamber
- Pasadena Chamber
- Pasadena-Foothills Association of Realtors
- PRMA
- Planned Parenthood Southern California Affiliates
- Pomona Chamber
- Rancho Southeast Association of Realtors
- Recording Industry Association of America
- Regional Black - San Fernando Valley Chamber
- Regional San Gabriel Valley Chamber
- Rosemead Chamber
- Rotary Club of Los Angeles
- San Gabriel Chamber
- San Gabriel Valley Civic Alliance
- San Gabriel Valley Economic Partnership
- Santa Clarita Valley Chamber
- Santa Clarita Valley Economic Development Corp.
- San Pedro Peninsula Chamber
- Santa Monica Chamber
- Santa Monica Junior Chamber
- SCALE LA
- Sherman Oaks Chamber of Commerce
- South Bay Association of Chamber Owners
- South Bay Association of Realtors
- Southern California Contractors Association
- Southern California Grocers Association
- Southern California Grantmakers
- Southern California Minority Supplier Development Council Inc.
- Southern California Water Committee
- Southern California Association of Realtors
- Torrance Area Chamber
- Town Hall Los Angeles
- Tri-Counties Association of Realtors
- United Chambers San Fernando Valley
- United States-Mexico Chamber
- Unmanned Autonomous Vehicle Systems Association
- Valley Economic Alliance
- Valley Economic Development Corp.
- Valley Industry & Commerce Association
- Vernon Chamber
- Vietnamese American Chamber
- Warner Center Association
- West Hollywood Chamber
- West Los Angeles Chamber
- West San Gabriel Valley Association
- West Valley/Warner Center Chamber
- Western Manufacturers Supplier Association
- Western States Petroleum Association
- Westside Council of Chambers
- Westwood Village Rotary Club
- Wilmington Chamber
- World Trade Center
- Young Professionals in Energy - LA Chapter

Furthermore, the District needs to give strong and appropriate consideration to the socioeconomic impacts of policies and rulemaking under different SCAQMD Governing Board resolutions (1989, 1994) and as required by state legislation (H&SC Sections 40440.8(a) and (b)). Given that the RECLAIM Transition project, including all related Regulation XI rulemakings, stems from the same 2016 AQMP policy directive, the District's socioeconomic analysis should similarly consider the entire RECLAIM Transition project and should not be piecemealed across rule-level assessments. Such a program-level socioeconomic assessment would provide the Governing Board members with information needed for rulemakings that together "will significantly affect air quality or emissions limitations" (H&SC Sections 40440.8(a) and (b)). Piecemealing will not provide this information, and will also limit the Governing Board's ability to actively consider the socioeconomic impacts of regulations pursuant H&SC Section 40728.5.

In summary, we recommend that the District conduct a program-level CEQA assessment and a socioeconomic assessment that considers the environmental and socioeconomic effects of the overall RECLAIM Transition project, including all associated Regulation XI rulemakings. This should be completed to support related Governing Board rule adoptions prior to the District transitioning individual RECLAIM facilities out of the program.

Thank you for considering our coalition's comments on this matter. Our members look forward to a continuing dialogue with the District on this important matter.

Sincerely,



Hilary Norton
BizFed Chair
Fixing Angelenos
Stuck in Traffic (F.A.S.T)



David Fleming
BizFed Founding Chair



Tracy Hernandez
BizFed Founding CEO
Impower, Inc.