

BOARD MEETING DATE: February 3, 2017

AGENDA NO. 19

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, January 13, 2017. The next Legislative Committee meeting is scheduled for Friday, February 10, 2017 at 9 a.m.

Agenda Item	Staff Recommendation
SB 4 (Mendoza) Goods Movement: Allocation of Federal Funds: Goods Movement and Clean Trucks Bond Act	SUPPORT AND WORK WITH AUTHOR

RECOMMENDED ACTION:

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

Judith Mitchell
Chair
Legislative Committee

DJA:PFC:jns

Attendance [Attachment 1]

The Legislative Committee met on January 13, 2017. Committee Chair Judith Mitchell was present at SCAQMD Diamond Bar headquarters. Committee Members Joe Buscaino, Shawn Nelson, Dr. Clark E. Parker, Sr., and Janice Rutherford attended via videoconference. Dr. William A. Burke was appointed to the committee for this meeting and participated via videoconference.

Update on Federal Legislative Issues [Attachment 2]

SCAQMD's federal legislative consultants (Carmen Group, Cassidy & Associates, and Kadesh & Associates) each provided a written report on various key Washington, D.C. issues. The three firms each gave a verbal update as well.

Mr. Gary Hoitsma of the Carmen Group updated his firm's written report by stating that President-elect Trump announced his Veterans Affairs (VA) Secretary nominee, David Shulkin, who is the current Under Secretary of Health for the VA. Further, this week

there have been seven major Cabinet secretary confirmation hearings, including Elaine Chao for Transportation Secretary. For the following week, there are seven additional confirmation hearings scheduled, including U.S. EPA Administrator Scott Pruitt and Energy Secretary Rick Perry. Mr. Hoitsma reported that the expectation is that all of these nominees will be confirmed. In response to Councilmember Mitchell's inquiry, Mr. Hoitsma clarified that none of the nominees can be officially confirmed until President-elect Trump is inaugurated.

Mr. Kaleb Froehlich and Jesse Barba of Cassidy & Associates updated their firm's written report by stating that the three regulations mentioned in their report (the Midnight Rules Relief Act, the Regulatory Accountability Act, and the Regulations from the Executive in Need of Scrutiny Act or REINS Act) all passed the U.S. House of Representatives. However, these bills will need 60 votes in the U.S. Senate and thus are not expected to move through the Senate successfully. Mr. Froehlich also reported that Congressman Raul Ruiz was appointed to the House Energy and Commerce Committee, and Congressman Pete Aguilar was appointed to the House Appropriations Committee and will also serve as the Assistant Whip for the House Democratic Caucus.

Mr. Barba reported that U.S. EPA has issued a Notice of Violation of the Clean Air Act against Chrysler/Fiat for installing and failing to disclose potential defeat devices to circumvent nitrogen oxide emission requirements. These actions by Chrysler were similar to the Volkswagen (VW) scandal, but on a smaller scale (affects over 100,000 Chrysler vehicles compared to over 558,000 VW vehicles affected). The VW case resulted in over \$3 billion in Diesel Emission Reduction Act (DERA) type funds being made available to states through penalties. Mr. Barba reported that it is expected that a similar legal process will be followed with respect to Chrysler. In response to an inquiry by Councilmember Mitchell, Mr. Froehlich confirmed that most of the Chrysler vehicles involved were heavy-duty trucks and Jeep Grand Cherokee models.

Mr. Mark Kadesh of Kadesh & Associates updated his firm's written report by informing the Committee that the U.S. Senate passed a budget resolution on January 12 to begin to repeal major portions of the Affordable Care Act, which then moved on to the U.S. House for expected passage. Mr. Kadesh also reported that Rep. Ryan Zinke will have his confirmation hearing for Interior Secretary in the coming week.

Mr. Kadesh stated that the issue of creating a federal transportation infrastructure plan has moved from a high priority in the first 100 days of the Trump Administration to a second-level priority. Finally, the U.S. EPA issued its final decision to keep in place the vehicle emission standards for the model years of 2022-2025.

Update on State Legislative Issues [Attachment 3]

SCAQMD's state legislative consultants (Joe A. Gonsalves & Son and Gonzalez, Quintana, Hunter & Cruz, LLC) also provided written reports on various key issues in Sacramento. The two firms each gave a verbal update as well.

Mr. Paul Gonsalves of Joe A. Gonsalves & Son updated his firm's report by stating that Governor Jerry Brown released his \$177 billion State Budget Proposal, which unlike past budgets reflects \$6 billion less in revenue over three budget years. Without change, this would leave California with about a \$2 billion budget deficit. There are also concerns that some actions by the new Administration and federal government may leave the state with an even larger deficit. This budget proposal will kick off months of negotiations between the Governor and the Legislature. The Governor will propose his May Revise Budget in May 2017, which will reflect tax receipts from April 2017 and any impacts from federal government actions. State budget passage will be required by June 15, 2017. Mr. Gonsalves also reported that as part of the Governor's Budget proposal, a \$4.2 billion 10-year transportation infrastructure plan is included, splitting the revenue equally between the state and local level. This is an increase from the Governor's proposal last year which was \$3.6 billion; however, the Democrats in the Legislature last year had proposed about a \$6 billion proposal. The Governor's proposal includes various funding generators, including: 1) \$2.1 billion from a \$65 fee on all vehicles, including hybrids and electrics; 2) \$1.1 billion from an increase in the gas excise tax to 21.5 cents; 3) \$425 million from an 11 cent increase in the diesel excise tax; 4) \$500 million in additional cap and trade proceeds; and 5) \$100 million from cost-saving reforms at Caltrans. The Governor's proposal also includes \$706 million from the General Fund for various purposes, including transit, trade corridor improvement and highway repair related needs. The proposal also lays out other various transportation related uses for the funds; however, this is all subject to negotiation with the Legislature. Mr. Gonsalves reminded the Committee that the Legislative leadership announced that they would ultimately like to see a bipartisan agreement on a transportation infrastructure package.

Mr. Will Gonzalez of Gonzalez, Quintana, Hunter & Cruz, LLC, updated his firm's report by providing information on the Governor's recently released Budget Proposal, specifically with regards to the cap and trade program. The Governor is proposing to allocate \$2.2 billion in additional cap and trade auction proceeds. Most relevant to the SCAQMD are the proposals for: \$363 million for Low Carbon Transportation to further the Governor's goal of reducing petroleum usage in the state by 50%; \$142 million for the Transformative Climate Communities Program; \$95 million for the Short-lived Climate Pollutants Program; and \$128 million for Carbon Sequestration. These proposals are somewhat contingent on the reauthorization of the cap and trade program.

Mr. Gonzalez reported that the statewide subvention funding, which is a portion of SCAQMD's budget, was proposed to be reduced slightly. Inquiries have been made to the Governor's Office to find out more about this proposal. Mr. Gonzalez also reported that the Governor appropriated \$413 million in lease revenue bonds to CARB to start construction on CARB's new Southern California motor vehicle and engine emissions testing & research facility near UC Riverside.

Mr. Gonzalez informed the Committee about a newly introduced bill, AB 151 by Assembly Members Autumn Burke and Jim Cooper, that would propose to reauthorize the cap and trade program beyond 2020. This may be one of a few legislative vehicles that are introduced regarding cap and trade program reauthorization.

In response to an inquiry from Supervisor Nelson, there was discussion on the possibility of there being any new legislation introduced that would propose to reorganize the SCAQMD Board, with consensus that the issue is not dead.

Recommend Position on State Bill [Attachment 4]

SB 4 (Mendoza) Goods Movement: Allocation of Federal Funds: Goods Movement and Clean Trucks Bond Act

Mr. Philip Crabbe, Community Relations Manager in SCAQMD's Legislative, Public Affairs and Media (LPAM) Office, presented SB 4 to the Committee. This bill would place on the June 2018 statewide ballot, subject to voter approval, a bond that would authorize \$600 million to improve infrastructure and reduce emissions from freight movement along California's trade corridors and expand the use of zero- and near-zero emission trucks in severe or extreme nonattainment areas for ozone and particulate matter. Mr. Crabbe explained that staff proposes to work with the author to increase the total amount of bond funding, with a corresponding increase in the amounts available for the Goods Movement Emission Reduction Program and the program that expands the usage of zero- and near-zero emission trucks in areas of the state designated as severe or extreme nonattainment.

In response to an inquiry from Councilmember Mitchell, Mr. Crabbe provided clarification on tentative details of SB 4 and on Proposition 1B. Also, a brief discussion occurred on what other bond legislation has been introduced thus far in 2017.

Staff recommended a position of SUPPORT AND WORK WITH AUTHOR

Moved by Nelson; seconded by Mitchell; unanimously approved.

Ayes: Burke, Nelson, Parker, Rutherford, Mitchell

Noes: None

Informational Item on Proposed Legislation [Attachment 5]

This informational item regarding potential bill proposals was presented as follows:

Ms. Barbara Baird, Chief Deputy Counsel, presented on a bill proposal that would enhance SCAQMD regulatory authority concerning emergency enforcement capabilities that would authorize an air pollution control officer to address imminent and substantial endangerment to the public health or welfare, or the environment caused by criteria and/or toxic pollutant emissions by a facility, in violation of a rule or regulation, by issuing a temporary order of abatement pending a hearing. Ms. Baird explained that this proposal arose out of SCAQMD efforts to abate high levels of toxic hexavalent chromium in the city of Paramount.

Mr. Wayne Nastri, SCAQMD Executive Officer, emphasized that the authority contemplated by this bill proposal is something that U.S. EPA believed we had and is required by the Clean Air Act. The absence of that authority could result in a State Implementation Plan (SIP) call by U.S. EPA. Mr. Nastri also reported that the California Air Pollution Control Officers' Association (CAPCOA) is in support of this proposal and that based on recent meetings, we have learned that the Senate and Assembly Legislative Leadership in the Capitol are also supportive.

Supervisor Rutherford inquired as to whether water districts have a similar authority. Mr. Nastri stated that staff would look into this issue and report back.

Mr. Derrick Alatorre, Deputy Executive Officer in SCAQMD's Legislative, Public Affairs & Media Office presented on a bill proposal that would propose to enhance local air district's regulatory authority by increasing penalties on polluters who cause egregiously serious or serial regulatory and/or rule violations relating to emissions. Mr. Alatorre explained that the primary problem that would be addressed by this bill is to spur polluters to repair problems that are causing substantial public health risks due to criteria and/or toxic pollutant emissions.

A discussion occurred regarding the need for, and potential impact of, this bill proposal. Mr. Nastri explained that the current penalty structure does not provide adequate deterrence against violations. Supervisor Nelson objected to the prospect of updating a penalty simply because it is old and requested examples of companies that violated in the face of these fines. Mr. Nastri emphasized that the focus is on the larger facilities, not smaller businesses, and stated that staff would gather this information and report back.

Mr. Crabbe presented on the possibility of bill proposals or other actions that could supplement AQMP implementation funding by seeking authority to issue bonds and/or generate tax revenue for air quality benefits. Mr. Crabbe explained that a government entity sells bonds to receive large amounts of "up-front" funding; however, the AQMP's funding needs will be spread out over up to 14 years, so it may make sense to bypass the extra cost of a bond. Mr. Crabbe further explained that the District might have to approach four different county governments to propose placing a tax measure on each separate county ballot. Alternatively, the District could possibly seek a state bill that would allow a one-time placement of such a proposal on the four counties' local ballots.

Dr. Burke inquired as to whether SCAQMD has considered seeking amendments to the cap and trade reauthorization legislation to seek funding for the AQMP. Mr. Nastri responded that the argument could be made that greenhouse gas funds should be prioritized for severe or extreme non-attainment areas so that you can get the biggest co-benefits in terms of reducing criteria and toxic air pollution, along with reductions in greenhouse gas emissions. Mr. Nastri indicated that staff would further explore this issue.

Report from SCAQMD Home Rule Advisory Group [Attachment 6]

Please refer to Attachment 6 for the written report.

Other Business:

None

Public Comment Period:

Mr. Harvey Eder, speaking for himself and the Public Solar Power Coalition, stated that we need immediate and total solar power conversion as soon as possible. Mr. Eder would like to see state legislation that would make state funds available to facilitate solar conversion. These funds could potentially be used in combination with federal tax credits that are already available.

The committee adjourned until Friday, February 10, 2017.

Attachments

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports
4. Recommend Position on State Bill
5. Information Item on Proposed Legislation – Written Report
6. SCAQMD Home Rule Advisory Group Report – Written Report

ATTACHMENT 1

ATTENDANCE RECORD –January 13, 2017

Councilmember Judith Mitchell.....	SCAQMD Board Member
Supervisor Janice Rutherford (Videoconference).....	SCAQMD Board Member
Dr. William A. Burke (Videoconference).....	SCAQMD Board Member
Supervisor Shawn Nelson (Videoconference)	SCAQMD Board Member
Dr. Clark E. Parker, Sr. (Videoconference)	SCAQMD Board Member
Councilmember Joe Buscaino (Videoconference).....	SCAQMD Board Member
Mark Abramowitz.....	Board Consultant (Lyou)
David Czamanske	Board Consultant (Cacciotti)
Marisa Perez.....	Board Consultant (Mitchell)
Gary Hoitsma (teleconference)	The Carmen Group
Kaleb Froehlich (teleconference).....	Cassidy & Associates
Mark Kadesh (teleconference).....	Kadesh & Associates
Paul Gonsalves (teleconference).....	Joe A. Gonsalves & Son
Will Gonzalez (teleconference)	Gonzalez, Quintana, Hunter & Cruz
Harvey Eder	Public Solar Power Coalition - PSPC
Tom Gross.....	Southern California Edison
Bill LaMarr	California Small Business Alliance
David Libatique	Port of LA
Rita Loof	RadTech
Eddie Marquez	Alon Energy
Eric Martell	Port of Los Angeles
David Rothbart.....	Los Angeles County Sanitation Districts
Derrick Alatorre	SCAQMD Staff
Leeor Alpern	SCAQMD Staff
Daniela Arellano	SCAQMD Staff
Debra Ashby	SCAQMD Staff
Barbara Baird.....	SCQAMD Staff
Marc Carrel	SCAQMD Staff
Tina Cox	SCAQMD Staff
Philip Crabbe	SCAQMD Staff
Philip Fine.....	SCAQMD Staff
Bayron Gilchrist.....	SCAQMD Staff
Monika Kim.....	SCAQMD Staff
Matt Miyasato	SCAQMD Staff
Wayne Nastri	SCAQMD Staff
Michael O’Kelly	SCAQMD Staff
Robert Paud.....	SCAQMD Staff
Guillermo Sanchez.....	SCAQMD Staff
Jeanette Short.....	SCAQMD Staff
Laki Tisopulos	SCAQMD Staff
Kim White.....	SCAQMD Staff
Todd Warden	SCAQMD Staff
Fabian Wesson.....	SCAQMD Staff
Jill Whynot.....	SCAQMD Staff



Attachment 2

MEMORANDUM

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: January 2017

Re: Federal Update -- Executive Branch

Trump Cabinet Appointments

In order of succession to the Presidency:

Vice President	Gov. Mike Pence (R-IN)
Secretary of State	Rex Tillerson (<i>ExxonMobil CEO</i>)
Treasury Secretary	Steven Mnuchin (<i>Goldman Sachs</i>)
Defense Secretary	Gen. James Mattis (Ret.)
Attorney General	Sen. Jeff Sessions (R-AL)
Interior Secretary	Rep. Ryan Zinke (R-MT) (<i>Former Naval Officer</i>)
Agriculture Secretary	--
Commerce Secretary	Wilbur Ross (<i>Billionaire investor</i>)
Labor Secretary	Andrew Puzder (<i>Fast Food Executive</i>)
HHS Secretary	Rep. Tom Price (R-GA) (<i>Budget Committee Chair</i>)
HUD Secretary	Ben Carson (<i>Former Neurosurgeon, GOP Pres. Candidate</i>)
Transportation Secretary	Elaine Chao (<i>G.W. Bush Labor Secretary</i>)
Energy Secretary	Rick Perry (<i>Former Texas Gov., GOP Pres. Candidate</i>)
Education Secretary	Betsy DeVos (<i>Charter school advocate</i>)
Veterans Affairs Secretary	--
Homeland Security Secretary	Gen. John Kelly (Ret.)

Additional Cabinet-rank positions:

White House Chief of Staff	Reince Priebus (<i>RNC Chairman</i>)
EPA Administrator	Scott Pruitt (<i>Oklahoma Attorney General</i>)
OMB Director	Rep. Mick Mulvaney (R-SC)
US Trade Representative	Robert Lighthizer (<i>Reagan Deputy Trade Rep.</i>)
UN Ambassador	Gov. Nikki Haley (R-SC)
Economic Advisors Chair	--
SBA Administrator	Linda McMahon (<i>Former World Wrestling CEO</i>)

Proven Process. Proven Results.™

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

Recent Obama Administration Actions of Note

EPA Announces FY 2016 Annual Environmental Enforcement Results: On Dec. 19, EPA said that its enforcement actions for the fiscal year ended Oct. 1, 2016 secured \$13.7 billion in investments by companies for projects to control pollution. Companies involved include BP, Volkswagen, Marathon Petroleum, and refiners Tesoro and Par Hawaii, among others.

EPA Announces Further Settlement with Volkswagen: In a second partial settlement announced Dec. 20 by the EPA, the Department of Justice and the State of California, Volkswagen and other auto makers agreed to recall 83,000 model year 2009 through 2016 vehicles that are alleged to be equipped with “defeat devices” to cheat emissions tests in violation of the Clean Air Act and California law. The automakers are required to buy back or fix the vehicles. Volkswagen is also required to spend \$225 million to fund projects across the country that will reduce emissions of nitrogen oxide (NOx). The \$225 million is in addition to the \$2.7 billion that it was earlier required to pay into a mitigation trust.

DOT Announces First Executive Director of the Build America Bureau: On Dec. 30, USDOT announced that Martin Klepper, a senior partner in the Energy and infrastructure Projects Group at Skadden, Arps, Slate, Meagher & Flom, LLP, will join the USDOT Build America Bureau as its initial executive director. The Bureau is a newly created entity within USDOT that streamlines access to federal credit and grant opportunities while providing technical assistance to project planning, financing and delivery. The Bureau also helps state and local governments develop and finance public-private partnership (P-3) transactions for transportation facilities.

DOE Announces Establishment of New Investment Fund for Clean Energy: On Dec. 12, the Department of Energy said that the Breakthrough Energy Coalition (BEC) will invest more than \$1 billion to promote early stage clean energy. The BEC is a group of entrepreneurs, business leaders, and institutional investors who last November in Paris announced their commitment to help bring promising new zero-emissions energy technologies to market. BEC’s original commitment was made in parallel to the launch of “Mission Innovation,” an initiative by countries to double clean energy research and development.

Obama Cabinet Agencies Release “Exit Memos”: On Jan. 5, the EPA, DOT and DOE were among the larger group of Administration Cabinet agencies that released end-of-term Exit Memos, highlighting their department and agency activities and accomplishments over the past eight years while setting the stage for the official hand-off to the new administration’s executive teams arriving on January 20th.

###

To: South Coast Air Quality Management District

From: Cassidy & Associates

Date: January 5, 2017

Re: December/January Federal Update – House of Representatives

Issues of Interest to SCAQMD

House Republicans began the 115th Congress with a series of votes and legislation to roll back the regulations of the Obama Administration, and transform the regulatory process.

Midnight Rules Relief Act of 2017 (H.R. 21)

On the second day of the 115th Session, the House passed, along party lines, legislation to amend the Congressional Review Act and allow Congress to repeal in a single vote any rules finalized in the final year of the Obama administration:

In applying section 802 to rules described under 8 paragraph, a joint resolution of disapproval may contain one or more such rules if the report under subsection (a)(1)(A) for each such rule was submitted during the final year of a President's term."

To put into perspective, the Congressional Review Act already allows Congress to overturn regulations one by one. H.R. 21 itself does not eliminate any federal rules, but empowers Congress to nix multiple regulations with one vote.

Several of Obama's midnight regulations involve restricting methane production on public lands, imposing renewable fuel standards, protecting streams and banning new offshore oil and gas leasing. Linked here are several EPA finalized regulations that may be targeted first: [https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/new-source-performance-standards-and#Final rules](https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/new-source-performance-standards-and#Final%20rules)

Regulatory Accountability Act of 2017 (H.R. 5)

House Judiciary Committee Chairman Bob Goodlatte (R-VA) introduced the Regulatory Accountability Act of 2017 (H.R. 5) this week. This bill passed the 114th Congress along nearly party line votes.

H.R. 5 would amend the Administrative Procedure Act by requiring the most costly of rules to undergo more stringent agency analysis. To put into perspective, this legislation would revamp and significantly slow down the process by which rules are promulgated. It would require agencies choose the lowest cost option when considering regulations, eliminates judicial doctrines that require deference to agencies when rules are challenged in court, and blocks rules with that have an economic impact of \$1 billion or more from taking effect until the courts have completed review.

As rules are being drafted at EPA and DOE, there could be complex requirements imposed that delay finalization in court.

Regulations from the Executive in Need of Scrutiny Act of 2017 (H.R. 26)

On the first week of the 115th Session, Congress aims to pass legislation to amend chapter 8 of title 5, United States Code, to provide that major rules of the executive branch shall have no force or effect unless a joint resolution of approval is enacted into law.

The REINS Act would require that any agency rule with more than a \$100 million economic impact to be approved by both chambers of Congress by passing a resolution of approval.

To put into perspective, Congress has for decades passed laws like the Clean Air Act and the Clean Water Act, charging agencies with promulgating rules. The REINS Act is meant to roll back such power.

Rep. Mark Meadows (R-N.C.), head of the House Freedom Caucus, has compiled a comprehensive list of rules, regulations and executive orders for the new Congress to consider for repeal in its first 100 days, concerning Department of Energy, Department of Interior and Environmental Protection Agency:

<https://meadows.house.gov/first-100-days>

Congresswoman Mimi Walters Committee Update

Congresswoman Mimi Walters (R-CA) who represents portions of Orange County in her district 45 seat, has been named to the powerful House Energy and Commerce Committee. Through this role, she will be in a better position to advocate on behalf of SCAQMD and provide oversight of many of the important programs administered by the Department of Energy.

Kadesh & Associates, LLC
January 6, 2017

MEMORANDUM

To: SCAQMD Legislative Committee

From: Kadesh & Associates

Re: December/January - US Senate: committee assignments, staffing announcements, schedule, etc.

December legislative high notes --

Continuing Resolution funding the Federal Government to the end of April, 2017 passed the US House on 12-8-16 by 326-96 and the US Senate on 12-9-16 by 63-36.

WRDA/WIIN passed and signed into law.

114th Congress Wrap Up and 115th Opening:

With the Senate adjourning on December 10, 2016, the 114th Congress adjourned sine die (i.e. "without a date") to return on January 3, 2017. All 435 Members of the House were sworn in on January 3, as well as the 34 new and reelected Members of Class II of the US Senate. Donald Trump will be sworn in as the 45th President on Friday, January 20th at noon.

The Senate plans to be in session all four weeks of January and the House will be in for three of them. (While the House is not formally in session the week of January 15th, it is expected that most or all of them will be in Washington for the inaugural on Friday of that week.) The Senate will be 52 R and 48 D (including two Independents who caucus with the Democrats). The House will be 241 R to 194 D.

Highlighting that January in the Senate will be dominated by the confirmation process, six cabinet-level confirmation hearings are to be held on one day (Jan. 11), the most on one day since 2001.

Full Committee Membership on the Senate Committee on Environment and Public Works:

Majority –

John Barrasso, (WY), Chairman

James Inhofe (OK)

Shelley Moore Capito (WV)

John Boozman (MT)

Roger F. Wicker (MS)

Deb Fischer (NE)

Jeff Sessions (AL)

Jerry Moran (KS)

Mike Rounds (SD)

Joni Ernst (IA)

Dan Sullivan (AK)

Minority

Thomas R. Carper (DE), Ranking Member)

Benjamin L. Cardin (MD)

Bernard Sanders (VT)

Sheldon Whitehouse (RI)

Jeff Merkley (OR)

Kirsten Gillibrand (NY)

Cory A. Booker (NJ)

Edward Markey (MA)

Tammy Duckworth (IL)

Kamala Harris (CA)

California Senate Committee Assignments and Personnel Decisions --

SENATOR KAMALA HARRIS:

Senate leadership assigned Sen. Kamala Harris to four Senate committees:

Homeland Security and Government Affairs;

Environment and Public Works;

Senate Select Committee on Intelligence; and the

Budget Committee.

In a public statement, Sen. Harris said: "These four committees will be key battlegrounds in the fight for the future of our country. At a time when so many Californians and Americans are uncertain about our future, I will aggressively fight for our families and the ideals of our nation. No state will be more impacted by any potential changes to federal immigration policy than California, and I look forward to zealously protecting our state's interests on the Homeland Security Committee. California also is a world leader on climate change policy, and I will fight hard against attempts to roll back key environmental protections on the Environment and Public Works Committee. As our country faces major intelligence challenges and cybersecurity threats, I will fight for our security, our civil rights, and our liberties on the Intelligence Committee. And, on the Committee on Budget, I will fight to preserve the Affordable Care Act to protect health care access for all Americans."

Sen. Harris has named several critical staff selections:

Nathan Barankin as Chief of Staff.

In a public statement, Sen. Harris said, "Nathan has been my trusted advisor and right hand for many years in the Attorney General's office. He is an exceptional lawyer, legislative expert, and career public servant. He has served three different Attorneys General of California in executive roles and has worked as a constitutional litigator and an advisor to the California Senate leadership for many years. I look forward to continuing to work with Nathan in the United

States Senate.” (Barankin has been chief deputy attorney general under Harris for the past four years, managing the department’s nearly 5,000 employees, including 1,100 lawyers.)

Julie Chavez Rodriguez to serve as State Director.

In a public statement, Sen. Harris said, “I am thrilled that Julie has agreed to continue her service to our state and nation as my State Director. Julie has been a leader in this state and across the country fighting to advance policies to help Californians. From her leadership at the Cesar Chavez Foundation to the years she has spent organizing groups and communities in support of President Obama's agenda. She most recently served in the White House as Principal Deputy Director of Public Engagement, Senior Policy Advisor, and Special Assistant to President Obama. Julie oversaw White House engagement with Immigration, Muslim, AAPI, Latino, Veterans, Youth, LGBTQ, Education, Labor, and Progressive communities. She is a graduate of UC Berkley and a daughter of the Central Valley. She grew up in a family steeped in the tradition of union organizing and civil rights leadership and is a granddaughter of Cesar E. Chavez.”

Clint Odom to serve as Legislative Director.

In a public statement, Sen. Harris said, “I’m thrilled that Clint has decided to join our team and I look forward to our work together.” He previously served as Democratic General Counsel and Policy Director for the U.S. Senate Committee on Commerce, Science, and Transportation; as Senator Bill Nelson’s Deputy, Legislative Director; and at the Federal Communications Commissions. He is a graduate of Louisiana State University and the University of Pennsylvania Law School.

Other hires include:

Lily Adams as her Communications Director.

Dwayne Paige as her Administrative Director.

Rohini Kosoglu to be her Deputy Chief of Staff.

SENATOR DIANNE FEINSTEIN:

Senator Dianne Feinstein is now eight most senior in the Senate.

She will be taking over as the Ranking Minority Member on the Senate Judiciary Committee.

She will continue to serve on the Appropriations Committee. In 1991 she was the first woman appointed to the Judiciary Committee which will serve as a key locus of conformation issues, starting with the Attorney General nomination, at least one Supreme Court nomination and over 100 pending federal judicial vacancies.

Sen. Feinstein also announced two major staff changes, both effective as of January 9, 2017.

Her current Chief (since 2013), **Jennifer Duck** will take over as the Chief of Staff for the Minority on the Senate Judiciary Committee.

Long-serving Capitol Hill aide **Steve Haro** was announced to take over as Feinstein's Chief of Staff.

Per public statements, Duck has served as Feinstein's chief of staff since June 2013. Before that, she served as vice president of government relations and corporate leadership for Pfizer. Prior to Pfizer, Duck served as staff director and chief counsel to Feinstein on the Senate Judiciary Committee. She also worked as counsel to former Democratic Leader Senator Tom Daschle (D-S.D.); counsel to Senator Ted Kennedy (D-Mass.) on the Senate Health, Education, Labor and Pensions Committee; and senior policy advisor for the Senate Democratic Policy Committee.

In a public statement, Sen. Feinstein said, "Jennifer Duck is well-suited to serve as my lead staffer on the Judiciary Committee. She not only has significant experience in the public and private sectors, she also has worked on the Judiciary Committee in the past during key administration and judicial confirmations. I trust her counsel and look forward to working with her as ranking member of the Judiciary Committee."

Per public statements, Steve Haro joins Senator Feinstein's office from the Department of Commerce, where he serves as assistant secretary for legislative and intergovernmental affairs. Prior, he served as chief of staff to Martin Heinrich (D-N.M.) in both the Senate and House of Representatives and also served as Western regional political director and national Hispanic outreach coordinator for the Democratic Congressional Campaign Committee, and served in various senior positions for Rep. Xavier Becerra.

In a public statement, Sen. Feinstein said, "I'm pleased to welcome Steve Haro to my personal office. He has a long history of key positions in Washington, and his familiarity with California will be a significant asset. Steve will be supervising a staff of more than 70 in five offices in Washington and California, and I will rely on his experience to keep the operation running steadily and build on our successes to help the people of California."

December Activities summary:

Conference call with AQMD staff to scope 2017 requests and begin shaping/scheduling Q1 2017 trip to DC.

Kept staff updated as to legislative changes.

Monitored and encouraged passage of WRDA.

Monitored and shared updates on Administration Transition regarding transportation and environmental policies and personnel.

Conveyed to Congressional staff support for expansion/funding of DERA.

###

Attachment 3



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

916 441-0697 • FAX 916 441-5061

Email: gonsalves@gonsalvi.com

TO: SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

FROM: ANTHONY, JASON, AND PAUL GONSALVES

SUBJECT: JANUARY LEGISLATIVE UPDATE

DATE: WEDNESDAY, JANUARY 4, 2016

As you know, the 2017-18 Legislative session resumed on Wednesday, January 4, 2017. As you can imagine, the holiday season, coupled with the November 2016 elections, made for a very quiet December in Sacramento. Many legislators and legislative staff took much needed and deserved vacations to recharge their batteries before the 2017-18 legislative session resumed. Although it was quiet, there are three issues of interest to the District that I would like to update the Legislative Committee on:

- Assembly and Senate Committee Assignments
- Assembly and Senate Leadership Assignments
- Legislative Deadlines

SENATE COMMITTEE CHAIR ASSIGNMENTS:

On December 21, 2016, Senate President Pro Tempore Kevin de León announced his leadership team, and Senate committee chairs and members. The following will provide you with the make-up of each committee along with the Senate Democratic Leadership team:

Agriculture

Senator Cathleen Galgiani (D-Stockton), Chair

Senator Scott Wilk (R-Santa Clarita), Vice Chair

Senator Tom Berryhill (R-Stanislaus)

Senator Bill Dodd (D-Napa)
Senator Richard Pan (D-Sacramento)

Appropriations

Senator Ricardo Lara (D-Bell Gardens), Chair
Senator Patricia Bates (R-Laguna Niguel), Vice Chair
Senator Jim Beall (D-San Jose)
Senator Steve Bradford (D-Gardena)
Senator Jerry Hill (D-San Mateo)
Senator Jim Nielsen (R-Tehama)
Senator Scott Wiener (D-San Francisco)

Banking and Financial Institutions

Senator Bill Dodd (D-Napa), Chair
Senator Andy Vidak (R-Hanford), Vice Chair
Senator Cathleen Galgiani (D-Stockton)
Senator Ben Hueso (D-San Diego)
Senator Ricardo Lara (D-Bell Gardens)
Senator Mike Morrell (R-Inland Empire)
Senator Anthony Portantino (D-La Cañada-Flintridge)

Budget and Fiscal Review

Senator Holly Mitchell (D-Los Angeles), Chair
Senator Jim Nielsen (R-Tehama), Vice Chair
Senator Ben Allen (D-Santa Monica)
Senator Joel Anderson (R-San Diego)
Senator Jim Beall (D-San Jose)
Senator Steve Glazer (D-Contra Costa)
Senator Mike McGuire (D-Healdsburg)
Senator Tony Mendoza (D-Artesia)
Senator Bill Monning (D-Carmel)
Senator John Moorlach (R-Costa Mesa)
Senator Janet Nguyen (R-Garden Grove)
Senator Richard Pan (D-Sacramento)
Senator Anthony Portantino (D-La Cañada-Flintridge)
Senator Richard Roth (D-Riverside)
Senator Nancy Skinner (D-Berkeley)
Senator Jeff Stone (R-Temecula)
Senator Bob Wieckowski (D-Fremont)

Budget Subcommittee No. 1 on Education

Portantino (Chair), Allen and Moorlach

Budget Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation

Wieckowski (Chair), McGuire, Mendoza and Nielsen (Vice Chair)

Budget Subcommittee No. 3 on Health and Human Services

Pan (Chair), Monning and Stone

Budget Subcommittee No. 4 on State Administration and General Government

Roth (Chair), Glazer and Nguyen

Budget Subcommittee No. 5 on Corrections, Public Safety and the Judiciary

Skinner (Chair), Beall and Anderson

Business, Professions and Economic Development

Senator Jerry Hill (D-San Mateo), Chair

Senator Patricia Bates (R-Laguna Niguel), Vice Chair

Senator Bill Dodd (D-Napa)

Senator Cathleen Galgiani (D-Stockton)

Senator Steve Glazer (D-Contra Costa)

Senator Ed Hernandez (D-West Covina)

Senator Josh Newman (D-Fullerton)

Senator Richard Pan (D-Sacramento)

Senator Scott Wilk (R-Santa Clarita)

Education

Senator Ben Allen (D-Santa Monica), Chair

Senator Scott Wilk (R-Santa Clarita), Vice Chair

Senator Cathleen Galgiani (D-Stockton)

Senator Connie Leyva (D-Chino)

Senator Tony Mendoza (D-Artesia)

Senator Richard Pan (D-Sacramento)

Senator Andy Vidak (R-Hanford)

Elections and Constitutional Amendments

Senator Henry Stern (D-Canoga Park), Chair

Senator Joel Anderson (R-San Diego), Vice Chair

Senator Ben Allen (D-Santa Monica)

Senator Bob Hertzberg (D-Los Angeles)

Senator Connie Leyva (D-Chino)

Energy, Utilities and Communications

Senator Ben Hueso (D-San Diego), Chair

Senator Mike Morrell (R-Inland Empire), Vice Chair

Senator Steve Bradford (D-Gardena)

Senator Anthony Cannella (R-Ceres)

Senator Ted Gaines (R-El Dorado)

Senator Bob Hertzberg (D-Los Angeles)

Senator Jerry Hill (D-San Mateo)

Senator Mike McGuire (D-Healdsburg)

Senator Nancy Skinner (D-Berkeley)

Senator Henry Stern (D-Canoga Park)
Senator Scott Wiener (D-San Francisco)

Environmental Quality

Senator Bob Wieckowski (D-Fremont), Chair
Senator Andy Vidak (R-Hanford), Vice Chair
Senator Patricia Bates (R-Laguna Niguel)
Senator Jerry Hill (D-San Mateo)
Senator Ricardo Lara (D-Bell Gardens)
Senator Nancy Skinner (D-Berkeley)
Senator Henry Stern (D-Canoga Park)

Governance and Finance

Senator Mike McGuire (D-Healdsburg), Chair
Senator Janet Nguyen (R-Garden Grove), Vice Chair
Senator Jim Beall (D-San Jose)
Senator Ed Hernandez (D-West Covina)
Senator Bob Hertzberg (D-Los Angeles)
Senator Ricardo Lara (D-Bell Gardens)
Senator John Moorlach (R-Costa Mesa)

Governmental Organization

Senator Steve Glazer (D-Contra Costa), Chair
Senator Tom Berryhill (R-Stanislaus), Vice Chair
Senator Steve Bradford (D-Gardena)
Senator Anthony Cannella (R-Ceres)
Senator Bill Dodd (D-Napa)
Senator Ted Gaines (R-El Dorado)
Senator Cathleen Galgiani (D-Stockton)
Senator Jerry Hill (D-San Mateo)
Senator Ben Hueso (D-San Diego)
Senator Ricardo Lara (D-Bell Gardens)
Senator Tony Mendoza (D-Artesia)
Senator Anthony Portantino (D-La Cañada-Flintridge)
Senator Andy Vidak (R-Hanford)

Health

Senator Ed Hernandez (D-West Covina), Chair
Senator Janet Nguyen (R-Garden Grove), Vice Chair
Senator Toni Atkins (D-San Diego)
Senator Connie Leyva (D-Chino)
Senator Holly Mitchell (D-Los Angeles)
Senator Bill Monning (D-Carmel)
Senator Josh Newman (D-Fullerton)
Senator Jim Nielsen (R-Tehama)
Senator Richard Roth (D-Riverside)

Human Services

Senator Scott Wiener (D-San Francisco), Chair
Senator Tom Berryhill (R-Stanislaus), Vice Chair
Senator Steve Glazer (D-Contra Costa)
Senator Josh Newman (D-Fullerton)
Senator Janet Nguyen (R-Garden Grove)

Insurance

Senator Tony Mendoza (D-Artesia), Chair
Senator Ted Gaines (R-El Dorado), Vice Chair
Senator Tom Berryhill (R-Stanislaus)
Senator Steve Glazer (D-Contra Costa)
Senator Ed Hernandez (D-West Covina)
Senator Holly Mitchell (D-Los Angeles)
Senator Josh Newman (D-Fullerton)
Senator Anthony Portantino (D-La Cañada-Flintridge)
Senator Richard Roth (D-Riverside)

Judiciary

Senator Hannah-Beth Jackson (D-Santa Barbara), Chair
Senator John Moorlach (R-Costa Mesa), Vice Chair
Senator Joel Anderson (R-San Diego)
Senator Bob Hertzberg (D-Los Angeles)
Senator Bill Monning (D-Carmel)
Senator Henry Stern (D-Canoga Park)
Senator Bob Wieckowski (D-Fremont)

Labor and Industrial Relations

Senator Steve Bradford (D-Gardena), Chair
Senator Jeff Stone (R-Temecula), Vice Chair
Senator Toni Atkins (D-San Diego)
Senator Hannah-Beth Jackson (D-Santa Barbara)
Senator Holly Mitchell (D-Los Angeles)

Legislative Ethics

Senator Ed Hernandez (D-West Covina), Chair
Senator Mike Morrell (R-Inland Empire), Vice Chair
Senator Patricia Bates (R-Laguna Niguel)
Senator Ted Gaines (R-El Dorado)
Senator Bill Monning (D-Carmel)
Senator Bob Wieckowski (D-Fremont)

Natural Resources and Water

Senator Bob Hertzberg (D-Los Angeles), Chair
Senator Jeff Stone (R-Temecula), Vice Chair
Senator Ben Allen (D-Santa Monica)

Senator Toni Atkins (D-San Diego)
Senator Ben Hueso (D-San Diego)
Senator Hannah-Beth Jackson (D-Santa Barbara)
Senator Bill Monning (D-Carmel)
Senator Henry Stern (D-Canoga Park)
Senator Andy Vidak (R-Hanford)

Public Employment and Retirement

Senator Richard Pan (D-Sacramento), Chair
Senator Mike Morrell (R-Inland Empire), Vice Chair
Senator Connie Leyva (D-Chino)
Senator John Moorlach (R-Costa Mesa)
Senator Anthony Portantino (D-La Cañada-Flintridge)

Public Safety

Senator Nancy Skinner (D-Berkeley), Chair
Senator Joel Anderson (R-San Diego), Vice Chair
Senator Steve Bradford (D-Gardena)
Senator Hannah-Beth Jackson (D-Santa Barbara)
Senator Holly Mitchell (D-Los Angeles)
Senator Jeff Stone (R-Temecula)
Senator Scott Wiener (D-San Francisco)

Rules

Senator Kevin de León (D-Los Angeles), Chair
Senator Anthony Cannella (R-Ceres), Vice Chair
Senator Toni Atkins (D-San Diego)
Senator Tom Berryhill (R-Stanislaus)
Senator Connie Leyva (D-Chino)

Transportation and Housing

Senator Jim Beall (D-San Jose), Chair
Senator Anthony Cannella (R-Ceres), Vice Chair
Senator Ben Allen (D-Santa Monica)
Senator Toni Atkins (D-San Diego)
Senator Patricia Bates (R-Laguna Niguel)
Senator Ted Gaines (R-El Dorado)
Senator Mike McGuire (D-Healdsburg)
Senator Tony Mendoza (D-Artesia)
Senator Mike Morrell (R-Inland Empire)
Senator Richard Roth (D-Riverside)
Senator Nancy Skinner (D-Berkeley)
Senator Bob Wieckowski (D-Fremont)
Senator Scott Wiener (D-San Francisco)

Veterans Affairs

Senator Josh Newman (D-Fullerton), Chair
Senator Jim Nielsen (R-Tehama), Vice Chair
Senator Bill Dodd (D-Napa)
Senator Ben Hueso (D-San Diego)
Senator Janet Nguyen (R-Garden Grove)
Senator Richard Roth (D-Riverside)
Senator Scott Wilk (R-Santa Clarita)

SENATE DEMOCRATIC LEADERSHIP ASSIGNMENTS

Majority Leader - Senator Bill Monning (D-Carmel)
Majority Whip - Senator Nancy Skinner (D-Berkeley)
Democratic Caucus Chair - Senator Connie Leyva (D-Chino)
Democratic Caucus Vice-Chair - Senator Mike McGuire (D-Healdsburg)

ASSEMBLY COMMITTEE CHAIR ASSIGNMENTS:

On December 27, 2016, Assembly Speaker Anthony Rendon announced his Leadership team along with the Chairs of the Assembly Committee's. We expect the Speaker to announce the make-up of the Committee's sometime in January. The following will provide you with the Chairs of each Assembly Committee along with the Democratic Leadership team:

Accountability and Administrative Review

Assemblymember Susan Eggman (D-Stockton), Chair

Aging and Long-Term Care

Assemblymember Ash Kalra (D-San Jose), Chair

Agriculture

Assemblymember Anna Caballero (D-Salinas), Chair

Appropriations

Assemblymember Lorena Gonzalez (D-San Diego), Chair

Arts, Entertainment, Sports, Tourism, and Internet Media

Assemblymember Kansen Chu (D-San Jose), Chair

Banking and Finance

Assemblymember Matthew Dababneh (D-Encino), Chair

Budget

Assemblymember Phil Ting (D-San Francisco), Chair

Budget Subcommittee No. 1 on Health and Human Services

Assemblymember Joaquin Arambula (D-Fresno), Chair

Budget Subcommittee No. 2 on Education Finance

Assemblymember Kevin McCarty (D-Sacramento), Chair

Budget Subcommittee No. 3 on Resources and Transportation

Assemblymember Richard Bloom (D-Santa Monica), Chair

Budget Subcommittee No. 4 on State Administration

Assemblymember Jim Cooper (D-Elk Grove), Chair

Budget Subcommittee No. 5 on Public Safety

Assemblymember Shirley Weber (D-San Diego), Chair

Budget Subcommittee No. 6 on Budget Process, Oversight and Program Evaluation

Assemblymember Phil Ting (D-San Francisco), Chair

Business and Professions

Assemblymember Rudy Salas (D-Bakersfield), Chair

Communications and Conveyance

Assemblymember Miguel Santiago (D-Los Angeles), Chair

Education

Assemblymember Patrick O'Donnell (D-Long Beach), Chair

Elections and Redistricting

Assemblymember Evan Low (D-Silicon Valley), Chair

Environmental Safety and Toxic Materials

Assemblymember Bill Quirk (D-Hayward), Chair

Governmental Organization

Assemblymember Adam Gray (D-Merced), Chair

Health

Assemblymember Jim Wood (D-Healdsburg), Chair

Higher Education

Assemblymember Jose Medina (D-Riverside), Chair

Housing and Community Development

Assemblymember David Chiu (D-San Francisco), Chair

Human Services

Assemblymember Blanca Rubio (D-Baldwin Park), Chair

Insurance

Assemblymember Tom Daly (D-Anaheim), Chair

Jobs, Economic Development, and the Economy

Assemblymember Sharon Quirk-Silva (D-Fullerton), Chair

Judiciary

Assemblymember Mark Stone (D-Monterey Bay), Chair

Labor and Employment

Assemblymember Tony Thurmond (D-Richmond), Chair

Local Government

Assemblymember Cecilia Aguiar-Curry (D-Winters), Chair

Natural Resources

Assemblymember Cristina Garcia (D-Bell Gardens), Chair

Privacy and Consumer Protection

Assemblymember Ed Chau (D-Monterey Park), Chair

Public Employees, Retirement, and Social Security

Assemblymember Freddie Rodriguez (D-Pomona), Chair

Public Safety

Assemblymember Reggie Jones-Sawyer (D-Los Angeles), Chair

Revenue and Taxation

Assemblymember Sebastian Ridley-Thomas (D-Los Angeles), Chair

Rules

Assemblymember Ken Cooley (D-Rancho Cordova), Chair

Assemblymember Marc Berman (D-Palo Alto)

Assemblymember Sabrina Cervantes (D-Corona)

Assemblymember Laura Friedman (D-Glendale)

Assemblymember Timothy Grayson (D-Concord)

Assemblymember Marc Levine (D-Marin County)

Assemblymember Adrin Nazarian (D-Sherman Oaks)

Assemblymember Jimmy Gomez (D-Los Angeles), Democratic Alternate

Transportation

Assemblymember Jim Frazier (D-Oakley), Chair

Utilities and Energy

Assemblymember Chris Holden (D-Pasadena), Chair

Veterans Affairs

Assemblymember Jacqui Irwin (D-Thousand Oaks), Chair

Water, Parks, and Wildlife

Assemblymember Eduardo Garcia (D-Coachella), Chair

Joint Legislative Audit

Assemblymember Al Muratsuchi (D-Torrance), Chair

Joint Legislative Committee on Emergency Management

Assemblymember Freddie Rodriguez (D-Pomona), Vice Chair

Legislative Ethics

Assemblymember Eloise Reyes (D-San Bernardino), Co-Chair

ASSEMBLY DEMOCRATIC LEADERSHIP ASSIGNMENTS

Speaker pro Tempore – Assemblymember Kevin Mullin (D-San Mateo)

Assistant Speaker pro Tempore – Assemblymember Autumn Burke (D-Inglewood)

Majority Leader – Assemblymember Ian Calderon (D-Whittier)

Assistant Majority Leader – Assemblymember Rob Bonta (D-Oakland)

Majority Whip – Assemblymember Raul Bocanegra (D-San Fernando Valley)

Assistant Majority Whip – Assemblymember Todd Gloria (D-San Diego)

Assistant Majority Whip – Assemblymember Monique Limón (D-Santa Barbara)

Democratic Caucus Chair – Assemblymember Mike Gipson (D-Carson)

LEGISLATIVE CALENDAR

The following will provide you with the upcoming Legislative deadlines for the 2017-18 legislative session:

January 1, 2017 – Statutes Take Effect

January 4, 2017 – Legislature Reconvenes

January 10, 2017 – Governor Releases State Budget

January 20, 2017 – Last Day to Submit Bill Request to Legislative Counsel

February 17, 2017 – Last Day for Bills to be Introduced

April 6-17, 2017 – Spring Recess

April 28, 2017 – Last day for Policy Committees to Hear Fiscal Bills

May 12, 2017 – Last Day for Policy Committees to Hear Non-Fiscal Bills

May 19, 2017 – Last day for Policy Committees to Meet Prior to June 5, 2017

May 26, 2017 – Last Day for Fiscal Committees to Meet.

May 30-June 2, 2017 – Floor Session Only

June 2, 2017 – Last Day to Pass Bills out of Their House of Origin.

June 15, 2017 – Budget Bill Must be Adopted

July 14, 2017 – Last day for Policy Committees to Hear Fiscal Bills

July 21, 2017 – Last day for Policy Committees to Hear Bills.

July 21-August 21, 2017 – Summer Recess

September 1, 2017 – Last Day for Fiscal Committees to Hear Bills

September 5-15, 2017 – Floor Session Only
September 8, 2017 – Last Day to Amend on the Floor
September 15, 2017 – Last Day of Session



SCAQMD Report
Gonzalez, Quintana, Hunter & Cruz, LLC
January 5, 2017

General Update:

The past few weeks have seen a reshuffling of committee assignments in both the Assembly and the Senate. The Senate has finalized its assignment of both committee chairs and committee members. The Assembly has released its committee chair assignments but as of this morning the committee members have yet to be released.

Senate Committees

Senator Ben Hueso will continue as the chair of Senate Energy, Utilities and Communications, Senator Bob Hertzberg has taken over as the chair of Senate Natural Resources and Water, and Senator Bob Weickowski is the chair of Senate Environmental Quality. Environmental committees appear to be filled with more liberal members which would seem to indicate that environmental issues will be at the forefront this upcoming session.

Assembly Committees

Most were surprised by the Speaker's decision to split the Assembly Utilities and Commerce committee into Assembly Utilities and Energy and Assembly Communications and Conveyance. Assembly Member Miguel Santiago was named the chair of Assembly Communications and Conveyance and Assembly Member Holden was named the chair of Assembly Utilities and Energy. Assembly Water, Parks and Wildlife will be chaired by Assembly Member Eduardo Garcia, Assembly Natural Resources will be chaired by Assembly Member Cristina Garcia, and Assembly Environmental Safety and Toxic Materials will be chaired by Assembly Member Quirk.

Infrastructure Legislative Package

On the first day of session the Senate and Assembly introduced a package of transportation and housing infrastructure improvement bills. Of note are the following:

AB 1 (Frazier)

Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and on the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria,

consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program. The bill would provide for the deposit of various funds for the program in the Road Maintenance and Rehabilitation Account, which the bill would create in the State Transportation Fund.

SB 1 (Beall) (nearly identical to AB 1)

Would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. The bill would require the California Transportation Commission to adopt performance criteria, consistent with a specified asset management plan, to ensure efficient use of certain funds available for the program.

SB 4 (Mendoza)

Would, subject to voter approval at the June 5, 2018 statewide primary election, enact the Goods Movement and Clean Trucks Bond Act to authorize \$600,000,000 of state general obligation bonds as follows: \$200,000,000 to the California Transportation Commission for projects and programs eligible for funding from the Trade Corridors Improvement Fund; \$200,000,000 to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program; and \$200,000,000 to the State Air Resources Board for projects and programs to expand the use of zero- and near-zero emission trucks in areas of the state that are designated as severe or extreme nonattainment areas for ozone and particulate matter.

Other Relevant Legislation

The following bills might be of interest to SCAQMD:

AB 18 (E. Garcia)

Would enact the California Clean Water, Climate, and Coastal Protection and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,005,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, and coastal protection and outdoor access for all program.

SB 5 (De Leon) (nearly identical to AB 18)

This bill would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.

AB 33 (Quirk)

Would state the intent of the Legislature to enact legislation to reduce net emissions from greenhouse gases from transportation by imposing fees and granting rebates on sales of new automobiles and light trucks.

SB 41 (Galgiani)

Would require the State Air Resources Board to deem a person, as defined, to be in compliance with all applicable rules and regulations of the state board and, notwithstanding the inadequacy of any required equipment, technologies, or practices, would prohibit the state board from requiring a person to expend further moneys to achieve compliance with, or from seeking to enforce against that person, the applicable rules and regulations, if specified conditions are met.

SB 53 (Hueso)

Current federal law authorizes a vehicle operated by an engine fueled primarily by natural gas to exceed weight limits, up to a specified maximum, by an amount equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system. This bill would authorize a vehicle operated by an engine fueled primarily by natural gas to exceed these weight limits, up to a specified maximum, by an amount equal to the difference between the weight of the vehicle attributable to the natural gas tank and fueling system carried by that vehicle and the weight of a comparable diesel tank and fueling system.

Attachment 4

SB 4 (Mendoza)

Goods Movement: Allocation of Federal Funds: Goods Movement and Clean Trucks Bond Act

Summary: This bill would place on the June 2018 statewide ballot, subject to voter approval, a bond that would authorize \$600 million to improve infrastructure and reduce emissions from freight movement along California’s trade corridors and expand the use of zero- and near-zero emission trucks in severe or extreme nonattainment areas for ozone and particulate matter.

Background: As described by the author, as the 6th largest economy in the world, California has a robust and complex freight transportation system that supports significant international trade and domestic goods movement demands. Improving goods movement is critical to relieve congestion on freeways and increase mobility for all Californians. At the same time, while these goods movement activities are vital to the state’s economy, it is necessary to reduce air pollution and address the adverse effects on communities, the environment, and infrastructure that result from this active freight transportation system.

In part, this bill would help continue the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B), which created the Trade Corridors Improvement Fund (TCIF) for infrastructure improvements on highway and rail corridors that have a high volume of freight movement. Proposition 1B also allocated \$1 billion in bond funds to the California Air Resources Board (CARB) for emission reductions, not otherwise required by law or regulation, from activities related to the movement of freight along California’s trade corridors, which was allocated by CARB pursuant to the Goods Movement Emission Reduction Program (GMERP). SCAQMD received over \$507 million in Proposition 1B GMERP funds as of December 2016, which fund an estimated 8,300+ projects and reduce an estimated 2,334,000 lbs. of PM_{2.5} and 87,663,000 lbs. of NO_x emissions.

Existing law requires the California Transportation Commission (CTC), in determining projects eligible for funding from the TCIF, to consult various state freight and regional infrastructure and goods movement plans and the statewide port master plan.

Status: 12/06/2016 -- From printer. May be acted upon on or after January 5.

Specific Provisions: Specifically, this bill would place a bond on the June 2018 statewide ballot, that, if approved by the voters, would:

- 1) Enact the Goods Movement and Clean Trucks Bond Act to authorize \$600 Million in state general obligation bonds as follows:

- a. \$200 Million to the CTC for projects and programs eligible for funding from the TCIF. Priority shall be given to projects and programs identified under the Sustainable Freight Action Plan released in July 2016;
 - b. \$200 Million to CARB for projects and programs consistent with GMERP. Priority shall be given to projects and programs identified under the Sustainable Freight Action Plan released in July 2016; and
 - c. \$200 Million to CARB for projects and programs to expand the use of zero- and near-zero emission trucks in areas of the state that are designated as severe or extreme nonattainment for ozone and particulate matter.
- 2) Revise the list of plans to be consulted by the CTC in prioritizing projects for TCIF funding. The bill would expand eligible projects to include, among others, rail landside access improvements, landside freight access improvements to airports, and certain capital and operational improvements. The bill would identify specific amounts to be allocated from federal goods movement funds made available by the federal Fixing America's Surface Transportation (FAST) Act to certain project categories.

Impacts on AQMD's Mission, Operations or Initiatives: This bill is aligned with SCAQMD's priorities regarding reducing criteria pollutant and toxic emissions within the South Coast region, especially those related to goods movement. Heavy duty trucks are one of the largest sources of NOx emissions in the South Coast Basin, which greatly impact the health of communities located near ports, railyards, distribution centers, and roads with high truck activity. This bill would provide needed funding to facilitate the development and deployment of low- and zero-emission technologies and reduce air pollution from goods movement operations to help protect the health of South Coast residents.

Specifically, this bill would allocate \$200 million to GMERP to reduce emissions and health risks from freight operations in California's priority trade corridors through incentives. Under the program, local agencies apply to CARB and those agencies offer financial incentives to owners of equipment used in freight movement to upgrade to cleaner technologies. Projects funded under this Program must achieve early or extra emission reductions not otherwise required by law or regulation. This program was created by Proposition 1B and received \$1 billion in one time money distributed over multiple years. (Government Code Section 8879.23(c)(1)(C)).

This bill would allocate \$200 million to a new program that would increase the state's efforts to get old trucks, which contribute to pollution at the ports and along trade corridors, off the road and replace them with zero- and near-zero emission trucks. This program would support efforts by local agencies and port authorities to expand use of clean trucks and meet air quality targets.

Proposal: SCAQMD would propose to work with the author to increase the total amount of bond funding, with a corresponding increase in the amounts available for the GMERP and the program that expands the usage of zero- and near-zero emission trucks in areas of the state designated as severe or extreme nonattainment.

Recommended Position: Support and Work with Author

Introduced by Senator Mendoza

December 5, 2016

An act to add Chapter 12.495 (commencing with Section 8879.80) to Division 1 of Title 2 of the Government Code and to amend Section 2192 of the Streets and Highways Code, relating to goods movement, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 4, as introduced, Mendoza. Goods Movement: allocation of federal funds: Goods Movement and Clean Trucks Bond Act.

(1) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) created the Trade Corridors Improvement Fund and provided for allocation by the California Transportation Commission of \$2 billion in bond funds for infrastructure improvements on highway and rail corridors that have a high volume of freight movement, and specified categories of projects eligible to receive these funds. Existing law continues the Trade Corridors Improvement Fund in existence in order to receive revenues from sources other than the bond act for these purposes. Proposition 1B also provided for the allocation of \$1 billion in bond funds to the State Air Resources Board for emission reductions, not otherwise required by law or regulation, from activities related to the movement of freight along California's trade corridors, which was allocated by the state board pursuant to the Goods Movement Emission Reduction Program.

This bill, subject to voter approval at the June 5, 2018, statewide primary election, would enact the Goods Movement and Clean Trucks Bond Act to authorize \$600,000,000 of state general obligation bonds

as follows: \$200,000,000 to the California Transportation Commission for projects and programs eligible for funding from the Trade Corridors Improvement Fund; \$200,000,000 to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program; and \$200,000,000 to the State Air Resources Board for projects and programs to expand the use of zero- and near-zero emission trucks in areas of the state that are designated as severe or extreme nonattainment areas for ozone and particulate matter.

(2) Existing law requires the California Transportation Commission, in determining projects eligible for funding from the Trade Corridors Improvement Fund, to consult various state freight and regional infrastructure and goods movement plans and the statewide port master plan.

This bill would revise the list of plans to be consulted by the commission in prioritizing projects for funding. The bill would expand eligible projects to include, among others, rail landside access improvements, landside freight access improvements to airports, and certain capital and operational improvements. The bill would also identify specific amounts to be allocated from federal goods movement funds made available by the federal Fixing America's Surface Transportation Act to certain categories of projects.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 12.495 (commencing with Section
2 8879.80) is added to Division 1 of Title 2 of the Government Code,
3 to read:

4
5 CHAPTER 12.495. THE GOODS MOVEMENT AND CLEAN TRUCKS
6 BOND ACT

7
8 Article 1. General Provisions
9

10 8879.80. (a) This chapter shall be known as the Goods
11 Movement and Clean Trucks Bond Act.

12 (b) This chapter shall only become operative upon adoption by
13 the voters at the June 5, 2018, statewide primary election.

1 8879.82. As used in this chapter, the following terms have the
2 following meanings:

3 (a) “Board” has the meaning as described in Section 8879.87.

4 (b) “Committee” means the Goods Movement and Clean Trucks
5 Bond Committee created pursuant to Section 8879.87.

6 (c) “Fund” means the Goods Movement and Clean Trucks Bond
7 Fund created pursuant to Section 8879.83.

8
9 Article 2. Goods Movement and Clean Trucks Bond Fund and
10 Program
11

12 8879.83. (a) The Goods Movement and Clean Trucks Bond
13 Fund is hereby created in the State Treasury.

14 (b) The proceeds of bonds deposited in the fund shall be used,
15 upon appropriation by the Legislature, to fund goods movement
16 and clean trucks improvements as follows:

17 (1) Two hundred million dollars (\$200,000,000) to the California
18 Transportation Commission for projects and programs eligible for
19 funding from the Trade Corridors Improvement Fund (TCIF) under
20 Section 2192 of the Streets and Highways Code and, to the extent
21 practicable, pursuant to the existing TCIF guidelines of the
22 commission. Priority shall be given to projects and programs
23 identified under the Sustainable Freight Action Plan released in
24 July 2016 pursuant to Executive Order B-32-15.

25 (2) Two hundred million dollars (\$200,000,000) to the State
26 Air Resources Board for projects and programs consistent with
27 the Goods Movement Emission Reduction Program (Chapter 3.2
28 (commencing with Section 39625) of Part 2 of Division 26 of the
29 Health and Safety Code). Priority shall be given to projects and
30 programs identified under the Sustainable Freight Action Plan
31 released in July 2016 pursuant to Executive Order B-32-15.

32 (3) Two hundred million dollars (\$200,000,000) to the State
33 Air Resources Board for projects and programs to expand the use
34 of zero- and near-zero emission trucks in areas of the state that are
35 designated as severe or extreme nonattainment areas for ozone
36 and particulate matter.

Article 3. Fiscal Provisions

8879.85. Bonds in the total amount of six hundred million dollars (\$600,000,000), or so much thereof as is necessary, not including the amount of any refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

8879.86. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4), and all of the other provisions of that law as amended from time to time apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

8879.87. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Goods Movement and Clean Trucks Bond Committee is hereby created. For the purposes of this chapter, the Goods Movement and Clean Trucks Bond Committee is “the committee” as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, the Director of Finance, and the Secretary of Transportation, or a designated representative of each of those officials. The Treasurer shall serve as the chairperson of the committee. A majority of the committee may act for the committee.

(b) For the purposes of the State General Obligation Bond Law, the California Transportation Commission, with respect to paragraph (1) of subdivision (b) of Section 8879.83, and the State Air Resources Board, with respect to paragraphs (2) and (3) of subdivision (b) of Section 8879.83, is designated to be the “board.”

8879.88. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Section

1 8879.83, and, if so, the amount of bonds to be issued and sold.
2 Successive issues of bonds may be authorized and sold to carry
3 out those actions progressively, and are not required to be sold at
4 any one time.

5 8879.89. There shall be collected each year and in the same
6 manner and at the same time as other state revenue is collected,
7 in addition to the ordinary revenues of the state, a sum in an amount
8 required to pay the principal of, and interest on, the bonds each
9 year. It is the duty of all officers charged by law with any duty in
10 regard to the collection of the revenue to do and perform each and
11 every act that is necessary to collect that additional sum.

12 8879.90. Notwithstanding Section 13340, there is hereby
13 appropriated from the General Fund in the State Treasury, for the
14 purposes of this chapter, an amount that will equal the total of the
15 following:

16 (a) The sum annually necessary to pay the principal of, and
17 interest on, bonds issued and sold pursuant to this chapter, as the
18 principal and interest become due and payable.

19 (b) The sum necessary to carry out Section 8879.91,
20 appropriated without regard to fiscal years.

21 8879.91. For the purposes of carrying out this chapter, the
22 Director of Finance may authorize the withdrawal from the General
23 Fund of an amount not to exceed the amount of the unsold bonds
24 that have been authorized by the committee to be sold for the
25 purpose of carrying out this chapter. Any amounts withdrawn shall
26 be deposited in the fund. Any moneys made available under this
27 section shall be returned to the General Fund from proceeds
28 received from the sale of bonds for the purpose of carrying out
29 this chapter.

30 8879.92. The board may request the Pooled Money Investment
31 Board to make a loan from the Pooled Money Investment Account,
32 including other authorized forms of interim financing that include,
33 but are not limited to, commercial paper, in accordance with
34 Section 16312, for purposes of carrying out this chapter. The
35 amount of the request shall not exceed the amount of the unsold
36 bonds that the committee, by resolution, has authorized to be sold
37 for the purpose of carrying out this chapter. The board shall execute
38 any documents required by the Pooled Money Investment Board
39 to obtain and repay the loan. Any amounts loaned shall be

1 deposited in the fund to be allocated by the board in accordance
2 with this chapter.

3 8879.93. Notwithstanding any other provision of this chapter,
4 or of the State General Obligation Bond Law, if the Treasurer sells
5 bonds pursuant to this chapter that include a bond counsel opinion
6 to the effect that the interest on the bonds is excluded from gross
7 income for federal tax purposes, subject to designated conditions,
8 the Treasurer may maintain separate accounts for the investment
9 of bond proceeds and for the investment of earnings on those
10 proceeds. The Treasurer may use or direct the use of those proceeds
11 or earnings to pay any rebate, penalty, or other payment required
12 under federal law or take any other action with respect to the
13 investment and use of those bond proceeds required or desirable
14 under federal law to maintain the tax-exempt status of those bonds
15 and to obtain any other advantage under federal law on behalf of
16 the funds of this state.

17 8879.94. All moneys deposited in the fund that are derived
18 from premium and accrued interest on bonds sold pursuant to this
19 chapter shall be reserved in the fund and shall be available for
20 transfer to the General Fund as a credit to expenditures for bond
21 interest, except that amounts derived from premium may be
22 reserved and used to pay the cost of bond issuance prior to any
23 transfer to the General Fund.

24 8879.95. Pursuant to Chapter 4 (commencing with Section
25 16720) of Part 3 of Division 4, the cost of bond issuance shall be
26 paid out of the bond proceeds, including premium, if any. To the
27 extent the cost of bond issuance is not paid from premiums received
28 from the sale of bonds, these costs shall be shared proportionately
29 by each program funded through this chapter by the applicable
30 bond sale.

31 8879.96. The bonds may be refunded in accordance with Article
32 6 (commencing with Section 16780) of Chapter 4 of Part 3 of
33 Division 4, which is a part of the State General Obligation Bond
34 Law. Approval by the voters of the state for the issuance of the
35 bonds described in this chapter includes the approval of the
36 issuance of any bonds issued to refund any bonds originally issued
37 under this chapter or any previously issued refunding bonds.

38 8879.97. The Legislature hereby finds and declares that,
39 inasmuch as the proceeds from the sale of bonds authorized by
40 this chapter are not “proceeds of taxes” as that term is used in

Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 2. Section 2192 of the Streets and Highways Code is amended to read:

2192. (a) (1) The Trade Corridors Improvement Fund, created pursuant to subdivision (c) of Section 8879.23 of the Government Code, is hereby continued in existence to receive revenues from state sources other than the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. ~~This chapter shall govern expenditure of those other revenues.~~

(2) *Revenues apportioned to the state under Section 167 of Title 23 of the United States Code from the national highway freight program, pursuant to the federal Fixing America's Surface Transportation Act ("FAST Act," Public Law 114-94) shall be allocated for projects approved pursuant to this chapter.*

(b) *This chapter shall govern the expenditure of those state and federal revenues described in subdivision (a).*

~~(b) The moneys in the fund from these other sources~~

(c) *The funding described in subdivision (a) shall be available upon appropriation for allocation by the California Transportation Commission for infrastructure improvements in this state on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement, as determined by the ~~commission~~ commission and as identified in the state freight plan developed and adopted pursuant to Section 13978.8 of the Government Code. In ~~determining~~ prioritizing the projects eligible for funding, the commission shall consult the ~~Transportation Agency's state freight plan as described in Section 13978.8 of the Government Code, the State Air Resources Board's Sustainable Freight Strategy adopted by Resolution 14-2, and the trade infrastructure and goods movement plan submitted to the~~ commission by the Secretary of Transportation and the Secretary for Environmental Protection. The commission shall also consult *California Sustainable Freight Action Plan released in July 2016 pursuant to Executive Order B-32-15*, trade infrastructure and goods movement plans adopted by regional transportation planning agencies, adopted regional transportation plans required by state and federal law, and the ~~statewide applicable port master plan~~*

~~when determining eligible projects for funding. plan. Eligible projects for the funding described in subdivision (a) shall further the state's economic, environmental, and public health objectives and goals for freight policy, as articulated in the plans to be consulted pursuant to this subdivision. Eligible projects for these funds include, but are not limited to, all of the following:~~ are as follows:

(1) ~~Highway~~ Highway, local road, and rail capital and capacity improvements, rail landside access improvements, landside freight access improvements to airports, seaports, and land ports, and operational improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's land ports of ~~entry~~ entry, rail terminals, and seaports, including navigable inland waterways used to transport freight between seaports, land ports of entry, and airports, and to relieve traffic congestion along major trade or goods movement corridors.

(2) Freight rail system improvements to enhance the ability to move goods from seaports, land ports of entry, and airports to warehousing and distribution centers throughout California, including projects that separate rail lines from highway or local road traffic, improve freight rail mobility through mountainous regions, relocate rail switching yards, and other projects that improve the efficiency and capacity of the rail freight system.

~~(3) Projects to enhance the capacity and efficiency of ports.~~

(3) Infrastructure improvement projects to enhance the capacity and efficiency of ports without having the effect of displacing workers in port operations.

(4) Truck corridor ~~and capital and operational~~ improvements, ~~including~~ including, but not limited to, dedicated truck facilities or truck toll facilities.

(5) Border ~~access~~ capital and operational improvements that enhance goods movement between California and Mexico and that maximize the state's ability to access ~~coordinated border infrastructure~~ funds made available to the state by federal law.

(6) Surface transportation and connector road capital and operational improvements to effectively facilitate the movement of goods, particularly for ingress and egress to and from the state's land ports of entry, airports, and seaports, to relieve traffic congestion along major trade or goods movement corridors.

1 ~~(e) (1) the commission shall allocate funds for trade~~
2 ~~infrastructure improvements from the fund consistent with Section~~
3 ~~8879.52 of the Government Code and the Trade Corridors~~
4 ~~Improvement Fund (TCIF) Guidelines adopted by the commission~~
5 ~~on November 27, 2007, or as amended by the commission, and in~~
6 ~~a manner that (A) addresses the state's most urgent needs, (B)~~
7 ~~balances the demands of various land ports of entry, seaports, and~~
8 ~~airports, (C) provides reasonable geographic balance between the~~
9 ~~state's regions, and (D) places emphasis on projects that improve~~
10 ~~trade corridor mobility while reducing emissions of diesel~~
11 ~~particulate and other pollutant emissions.~~

12 *(d) (1) In evaluating the program of projects to be funded with*
13 *funds described in paragraph (2) of subdivision (a), the commission*
14 *shall evaluate the total potential economic and noneconomic*
15 *benefits of the program of projects to California's economy,*
16 *environment, and public health. The commission shall consult with*
17 *the agencies identified in Executive Order B-32-15 and*
18 *metropolitan planning organizations in order to utilize the*
19 *appropriate models, techniques, and methods to develop the*
20 *parameters for evaluating the program of projects. The commission*
21 *shall allocate the funding described in paragraph (2) of subdivision*
22 *(a) for trade infrastructure improvements as follows:*

23 *(A) One hundred fifty million dollars (\$150,000,000) shall be*
24 *dedicated exclusively to fund improvements to California's existing*
25 *or planned land ports of entry on the border with Mexico. The*
26 *department, in consultation with the San Diego Association of*
27 *Governments and the Imperial County Transportation Commission,*
28 *shall nominate a program of projects for funding allocations that*
29 *make border capital and operational improvements to enhance*
30 *goods movement between California and Mexico and contribute*
31 *to the reduction of emissions.*

32 *(B) Seventy million dollars (\$70,000,000) shall be dedicated*
33 *exclusively to fund projects for the elimination, alteration, or*
34 *improvement of hazardous railroad-highway grade crossings.*
35 *Projects shall be jointly nominated by the department and a*
36 *regional transportation agency.*

37 *(C) Three hundred sixty million dollars (\$360,000,000) shall*
38 *be available for projects nominated by regional transportation*
39 *agencies and other public agencies, including counties, cities, and*
40 *port authorities, in consultation with the department, and consistent*

1 with corridor-based programming targets contained in the Trade
2 Corridors Investment Fund (TCIF) Guidelines adopted by the
3 commission on November 27, 2007, or as amended by the
4 commission, to provide reasonable geographic targets for funding
5 allocations without constraining what an agency may propose or
6 what the commission may approve. However, the San Diego
7 Association of Governments, the Imperial County Transportation
8 Commission, and other public agencies in San Diego and Imperial
9 Counties shall be excluded from nominating projects under this
10 subparagraph.

11 (2) The commission shall proportionately adjust the amounts
12 in subparagraphs (A), (B), and (C) of paragraph (1) if the amount
13 of funds described in paragraph (2) of subdivision (a) is less than
14 or greater than five hundred eighty million dollars (\$580,000,000).

15 (3) The commission shall adopt guidelines to allocate the
16 funding described in subdivision (a) for trade infrastructure
17 improvements in a manner that (A) addresses the state's most
18 urgent needs, (B) balances the demands of various land ports of
19 entry, seaports, and airports, (C) provides reasonable geographic
20 balance between the state's regions, (D) places emphasis on
21 projects that improve trade corridor mobility and safety while
22 reducing emissions of diesel particulates, greenhouse gases, and
23 other pollutants and reducing other negative community impacts,
24 and (E) makes a significant contribution to the state's economy.
25 The commission shall adopt any amendments to the 2007 guidelines
26 no later than 90 days after the effective date of the act adding this
27 paragraph in the 2017–18 Regular Session.

28 (4) In adopting amended guidelines, and developing and
29 adopting the program of projects, the commission shall do all of
30 the following:

31 (A) Accept nominations for projects to be included in the
32 program of projects from regional and local transportation
33 agencies and the department.

34 (B) Recognize the key role of the state in project identification
35 and support integrating statewide goods movement priorities into
36 the corridor approach.

37 (C) Give the highest priority for funding allocations to projects
38 jointly nominated by the department and a regional or other public
39 agency.

40 (2)

1 (5) In addition, the commission shall also consider the following
2 factors when allocating ~~these funds~~: *funds under this section*:

3 (A) “Velocity,” which means the speed by which large cargo
4 would travel from the land port of entry or seaport through the
5 distribution system.

6 (B) “Throughput,” which means the volume of cargo that would
7 move from the land port of entry or seaport through the distribution
8 system.

9 (C) “Reliability,” which means a reasonably consistent and
10 predictable amount of time for cargo to travel from one point to
11 another on any given day or at any given time in California.

12 (D) “Congestion reduction,” which means the reduction in
13 recurrent daily hours of delay to be achieved.

14 SEC. 3. Section 1 of this act shall become operative upon the
15 adoption by the voters of the Goods Movement and Clean Trucks
16 Bond Act, as set forth in Section 1 of this act.

17 SEC. 4. The Secretary of State shall submit the Goods
18 Movement and Clean Trucks Bond Act, as set forth in Section 1
19 of this act, to the voters at the June 5, 2018, statewide primary
20 election.

Attachment 5

LEGISLATIVE COMMITTEE MEETING
January 13, 2017

AGENDA ITEM #4

DRAFT LANGUAGE

HSC 42452.5.

(a) If the air pollution control officer determines that a person is constructing or operating any article, machine, equipment, or other contrivance without a permit required by this part, or is in violation of Section 41700 or 41701 or of any order, rule, or regulation prohibiting or limiting the discharge of air contaminants into the air and that the violation presents an imminent and substantial endangerment to the public health or welfare, or the environment, the air pollution control officer may issue an order of abatement to the person pending a hearing pursuant to Section 42450. The order shall be effective upon the notification of the person of the order. In notifying the person, the air pollution control officer shall also provide that person with an accusation specifying the grounds on which the order is issued and procedures by which the person may challenge the order.

(b) Upon receipt by the air district of a notice of defense to the accusation from the person, the air district shall, within 15 days, set the matter for a hearing pursuant to this article, which shall be held as soon as possible, but not later than 30 days after the receipt of the notice.

(c) The order shall remain in effect until the hearing is completed and the hearing board has made a final determination on the merits, which shall be made within 60 days after the completion of the hearing. If the determination is not transmitted within this period, the order shall be of no further effect.

Attachment 6

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT HOME RULE ADVISORY GROUP

MINUTES November 9, 2016

CHAIR

Dr. Joseph Lyou, Governing Board member

MEMBERS

Present: The following members participated from Conference Room CC-8 at SCAQMD: Jill Whynot; Curt Coleman; Jaclyn Ferlita; Jayne Joy; Bill LaMarr; Dan McGivney; Bill Quinn; and David Rothbart;. The following members participated by conference call: Chris Gallenstein (CARB); and Rongsheng Luo (SCAG).

Absent: Mike Carroll; Michael Downs; Adrian Martinez; Art Montez; Terry Roberts; Larry Rubio; Larry Smith; TyRon Turner; and Morgan Wyenn

AQMD STAFF

Philip Crabbe; Eugene Kang; Susan Nakamura; Bill Wong; and Ann Scagliola

OTHER ATTENDEES

Mark Abramowitz (Board Consultant to Dr. Lyou); Andy Steckel (EPA); Wienke Tax (EPA); Rita Loof (Radtech); Bill Pearce (Boeing); and Ron Wilkniss (WSPA)

WELCOME/INTRODUCTIONS

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman). Participants at the meeting were Jill Whynot (SCAQMD); Susan Nakamura (SCAQMD); Bill Wong (SCAQMD); Curt Coleman (Southern California Air Quality Alliance); Bill LaMarr (California Small Business Alliance); Jayne Joy (Eastern Municipal Water District); Jaclyn Ferlita (Air Quality Consultants); Dan McGivney (So Cal Gas); and David Rothbart (Los Angeles County Sanitation Districts). The following members participated by conference call: Chris Gallenstein (CARB); Rongsheng Luo (SCAG); Andy Steckel (EPA) and Wienke Tax (EPA).

OPENING COMMENTS

Dr. Lyou and other Advisory Group members discussed the Presidential election results.

MINUTES

Dr. Lyou asked for comments on the minutes from the September 21, 2016 Home Rule Advisory Group meeting. Hearing none, the minutes were approved.

EPA AND FEDERAL ACTIVITIES

Wienke Tax provided an update on recent U.S. EPA and federal activities.

- On November 2, 2016, the 2015 Ozone SIP Requirements Rule Proposal was signed
- On November 1, 2016, EPA published the proposal to approve the Coachella Valley 1997 Ozone SIP.

- On November 3, 2016, EPA published the proposal to partially approve and partially disapprove the South Coast Air Quality Management District's (SCAQMD) 2008 Ozone RACT SIP.
- EPA anticipates a final approval of the SCAQMD SOON Program, an incentive program for off-road fleets.
- EPA is considering how to respond to the On-Road Heavy Duty NOx petition.
- EPA acknowledged they are officially in the transition period between Administrations.

Discussion

Dr. Lyou requested an explanation of the partial disapproval of the SCAQMD's 2008 Ozone RACT SIP. Ms. Tax indicated that the version of RECLAIM within the 2008 SIP is the 2010 version, and not all RECLAIM sources had a RACT level of control.

Bill Quinn inquired if the amendments adopted by the SCAQMD Board in December 2015 address this issue, or is there an outstanding issue that needs to be addressed? Ms. Tax replied that once it can be demonstrated that the modifications meet RACT, the disapprovals would be remedied.

CARB REGULATORY ACTIVITIES

Chris Gallenstein requested input from members on topics of interest for future 2017 meetings and provided some topics from an earlier discussion with Dr. Lyou.

- Why did ARB Board send back the PM2.5 Plan for the San Joaquin AQMD?
- Scoping Plan Measures

Bill Quinn inquired about the status of the December RECLAIM package and if any updates could be provided. Mr. Gallenstein commented that he could forward this recommendation onto appropriate ARB staff for a future discussion.

Jill Whynot indicated that this could possibly be a topic for a future RECLAIM Working Group meeting. Dr. Lyou commented that this would be a good topic for the January 2017 Home Rule Advisory Group meeting, if not being discussed at the next RECLAIM Working Group meeting.

Additional topics of interest for 2017 meetings, from the group discussion, included:

- SB 375 - The Sustainable Communities and Climate Protection Act of 2008
- Proposed Short-Lived Climate Pollutant Reduction Strategy
- Mobile Source Strategy
- Federal regulation for landfills

Chris Gallenstein reported on the following items discussed at the CARB Board meeting on October 20, 2016, as well as items to be discussed at the November 17, 2016 meeting.

October 20, 2016

- Considered the 2016 PM2.5 State Implementation Plan for the San Joaquin Valley
- Considered the proposed regulation to provide certification flexibility for heavy duty engines and California certification and installation procedures for medium- and heavy-duty vehicle hybrid conversion systems
- Considered modifications to the fiscal year 2016-17 Funding Plan for low carbon transportation and fuels investments and the Air Quality Improvement Program

November 17, 2016

- 2016 Legislative Update
- Proposed amendments to the evaporative emission requirements for small off-road engines
- Informational update on the AB 32 scoping plan development
- Annual update on the Cap-and-Trade Program
- Update on the Cap-and-Trade adaptive management process

LEGISLATIVE UPDATE

Philip Crabbe provided a recap on the following items from the October 2016 Legislative Committee meeting.

There was an update provided on the Governor's Final Actions on 2015/16 Legislation. In Sacramento, the state's legislative session officially ended on August 31st which marked the end of the two-year 2015/2016 legislative cycle. Climate change goals, the cap-and-trade program, and distribution of the Greenhouse Gas Reduction Fund (GGRF) monies took center stage to finish off the legislative year. In the end, through budget bill AB 1613, \$900 million was allocated, based on an agreement between the Governor and Legislative Leadership, with \$462 million left in reserve for future appropriation. The cap-and-trade program and its 2020 sunset, was not addressed, however SB 32 (Pavley) was approved and signed by the Governor to establish greenhouse gas reduction targets to 40% below 1990 levels by 2030. Governor Brown had until September 30th to take final action on bills sent to his desk by the Legislature. Overall, the Governor vetoed 15% of the 1,059 bills sent to him this year.

Following is a summary of SCAQMD position bills and bills of interest and their final dispositions based on the actions of the Legislature and the Governor:

SCAQMD Position Bills

AB 1550 (Gomez) - Greenhouse gases: investment plan: disadvantaged communities

Requires 25% of GGRF moneys to fund projects in disadvantaged communities. Requires an additional 5% to projects that benefit low-income households located within low-income communities anywhere in the state. Requires an additional 5% to fund projects that benefit low-income households within a ½ mile of DACs.

POSITION: Support

STATUS: Chaptered

SB 380 (Pavley) - Natural gas storage: moratorium

Immediate moratorium on natural gas injections at Aliso Canyon storage facility.

POSITION: Support

STATUS: Chaptered

SB 887 (Pavley) - Natural gas storage wells

DOGGR to inspect before 2018, and annually thereafter, and set standards for natural gas storage wells. Older wells to be phased out.

POSITION: Support and Continue to Work with Author

STATUS: Chaptered

SB 888 (Allen) - Gas corporations: emergency management: leak mitigation

Establishes OES as the lead agency for emergency response to leak of natural gas from natural gas storage facility.

POSITION: Support and Continue to Work with Author

STATUS: Chaptered

Other State Bills of Interest

A118 (Santiago) - Hazardous substances: cleanup: Exide Technologies facility

Appropriates \$176 million loaned to DTSC from the General Fund for Exide cleanup, job training and pursuit of responsible parties.

SB 93 (De León) - Budget Act of 2015

\$176 million loan from General Fund to DTSC for Exide cleanup.

STATUS: Both Chaptered

AB 2153 (Garcia, Cristina) - The Lead-Acid Battery Recycling Act of 2016

This bill requires a battery dealer to accept, at the point of transfer, used lead-acid batteries and prohibits the dealer from charging a fee. Requires a dealer to collect a refundable deposit for each new lead-acid battery from a person who purchases the battery but who does not simultaneously provide a used lead-acid battery.

STATUS: Chaptered

AB 1697 (Bonilla) - Alternative and Renewable Fuel and Vehicle Technology Program

Includes clean job promotion as a prioritization factor for project selection.

STATUS: Chaptered

SB 859 (Committee on Budget and Fiscal Review) - Public resources: greenhouse gas emissions and biomass

This budget trailer bill was the vehicle that, among other things, makes changes to the CVRP program to have stricter income limits (e.g. \$150,000 for single filers) and increases the incentive for low income applicants by \$500

STATUS: Chaptered

AB 2722 (Burke) - Transformative Climate Communities Program

Creates the Transformative Climate Communities Program, funded by \$140 million in GGRF monies, to reduce GHG and benefit disadvantaged communities.

STATUS: Chaptered

838 (budget bill)

One of the late budget trailer bills that included language removing the cap on the Green sticker program to allow for more alternative fuel single occupant vehicles access to HOV lanes. This program sunsets January 1, 2019.

STATUS: Chartered

AB 197 (Garcia, Eduardo) - State Air Resources Board: greenhouse gases: regulations

Adds two Members to the Legislature to the CARB board as ex officio, nonvoting members. Provides that voting members of the CARB board are appointed for staggered 6-year terms and upon expiration of the term of a voting member, they may be reappointed. Bill also directs CARB to "prioritize direct emission reductions" from stationary sources. Double joined to SB 32 (Pavley).

STATUS: Chaptered

SB 1383 (Lara) - Short-lived climate pollutants: methane emissions: dairy and livestock: organic waste: landfills

CARB to approve & begin implementing strategy to reduce short-lived climate pollutant emissions below 2013 levels by 2030.

STATUS: Chaptered

Note: There was no Legislative Committee in November 2016. Instead the Administrative Committee considered one legislative item at their November 2016 meeting: the draft 2017 SCAQMD State and Federal Legislative Goals and Objectives.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong provided an update to Cases 5 and 7 (World Logistics Center) on the litigation status report, and indicated that the SCAQMD has reached a settlement with the developer.

Discussion

Dan McGivney inquired if the settlement funds from these cases are designated for a specific area. Staff replied that the settlement does not specify this.

Jayne Joy inquired if the settlement funds are directed towards mobile sources. Staff replied that we will seek Board direction on how they want these funds spent. Dr. Lyou added that the Board usually directs staff to use the funds in the impacted areas.

EPA, CARB AND SCAQMD COORDINATION ON IMPLEMENTATION OF NON-PFOS FUME SUPPRESSANTS

Susan Nakamura provided an overview of agency coordination for implementation of non-PFOS fume suppressants, and an overview of the 2012 revision to EPA's NESHAP for Hard and Decorative Chromium Electroplating and Chromium Anodizing Tanks which prohibited the use of PFOS in fume suppressants effective September 21, 2015. Also provided was background information on how SCAQMD coordinated with CARB to certify non-PFOS fume suppressants and to work with facilities through the permitting process.

Discussion

Bill LaMarr inquired about the various types of controls. Staff replied that it would vary based on companies' operations and this will be considered during rule development.

Dr. Lyou inquired about providing options to chrome platers for emission controls and monitoring. Staff replied that some of this monitoring can be difficult, and requires special monitors and analysis.

Public Comment

Bill Pearce inquired about the possibility of streamlining the recordkeeping requirements when this rule comes up for adoption. Staff replied that this request will be considered.

CONSENSUS BUILDING

There was no report.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

There was no report.

Dr. Lyou reported that on November 17, 2016 the Port of Los Angeles is expected to release their Clean Air Plan 3.0 Proposal.

B. Small Business Considerations (Bill LaMarr)

There was no report.

C. Environmental Justice (Curt Coleman)

There was no report.

Jill Whynot reported that SCAQMD is having an Environmental Justice Conference on November 16, 2016 at The Center at Cathedral Plaza, in downtown Los Angeles.

D. New Source Review (Bill Quinn)

There was no report.

E. Climate Change (David Rothbart)

There was no report.

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

The following items were discussed at the October 2016 meeting, or are on the agenda for the November 2016 meeting.

October 2016

- Request by City of Newport Beach for Board to add Rule 444 – Open Burning to the Rule Forecast Calendar
- Report on Alkylation Technology Study by Norton Engineering Consultants
- Updates to the Facility Prioritization Procedures and Supplemental Guidelines for the AB 2588 Program

November 2016

- BACT Guidelines and Charter for BACT Scientific Review Committee
- Assessment of tertiary-Butyl Acetate (tBac)
- Report on Rule 1147 Technology Assessment

APPROVAL OF THE 2017 HRAG MEETING SCHEDULE

The Home Rule Advisory Group confirmed and Dr. Lyou approved the following meeting schedule for 2017.

January 11	May 10	September 13
March 8	July 12	November 8

Note: All meetings are scheduled to begin at 10:00 a.m. and will be held in Conference Room CC-8.

DRAFT 2016 ACCOMPLISHMENTS, 2017 GOALS & OBJECTIVES AND MISSION STATEMENT

Dr. Lyou asked for comments on the Home Rule Advisory Group 2016 Accomplishments and 2017 Goals and Objectives, and requested that members provide edits and updates by email.

It was determined that starting with the January 2017 meeting, the New Source Review Subcommittee report will only appear on meeting agendas when there are activities to report on.

After discussion and approval from Dr. Lyou, the Home Rule Advisory Group Mission Statement was revised as follows:

The mission of the Home Rule Advisory Group is to seek consolidation and consistency of federal, state, and local regulations to streamline regulatory compliance while achieving and fulfilling air quality goals and requirements. The group will focus on regulatory proposals and compliance issues that impose duplicative, conflicting or burdensome requirements. These goals will be accomplished by making recommendations including alternatives to the Stationary Source Committee on those issues that the group identifies, as well as pending legislation, litigation and regulatory proposals that have the potential to impose an unreasonable compliance burden on local businesses. The anticipated result is the development of recommendations that support reasonable and efficient approaches to attaining clean air goals.

Public Comment

Rita Loof (RadTech) is supportive of the revised Mission Statement.

OTHER BUSINESS

The membership roster for the term 2017-2019 has only a few changes. There will be a couple of changes to the environmental representative's membership, with the removal of Adrian Martinez and the addition of Penny Newman.

PUBLIC COMMENT

Rita Loof (RadTech) mentioned an audit conducted by EPA on the District's Title V program, which she has been unable to locate on the SCAQMD website.

***ACTION ITEM** – Jill Whynot commented that she could provide a copy of the Executive Summary and evaluation received from U.S. EPA, in regards to the Title V audit.*

ADJOURNMENT

The meeting was adjourned at 12:15 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on January 11, 2017, and will be held at SCAQMD in Conference Room CC-8.