

BOARD MEETING DATE: January 5, 2018

AGENDA NO. 16

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, December 8, 2017. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
2018 Legislative Goals and Objectives	APPROVE

**RECOMMENDED ACTION:**

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

Judith Mitchell, Chair  
Legislative Committee

DJA:PFC:MJK:jns

---

**Committee Members**

Present: Council Member Judith Mitchell/Chair, Council Member Joe Buscaino/Vice Chair (videoconference), Mayor Pro Tem Larry McCallon (videoconference), Dr. Clark E. Parker, Sr. (arrived at 9:12 a.m. via videoconference), and Supervisor Janice Rutherford (videoconference).

Absent: Supervisor Shawn Nelson

**Call to Order**

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

**DISCUSSION ITEMS:**

**1. 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. Mr. Gary Hoitsma of the Carmen Group, Ms. Amelia Jenkins of Cassidy & Associates and Mr. Mark Kadesh of Kadesh & Associates gave verbal updates as well.

Mr. Hoitsma reported that a continuing resolution was passed by Congress that will last through December 22, and that the tax reform bill appears to be on its way to completion, possibly as soon as next week. Mr. Hoitsma also reported on the U.S. Environmental Protection Agency (U.S. EPA) proposal to repeal provisions that apply the heavy-duty truck Phase 2 emissions standards to the glider industry. A public hearing was held recently to receive public comment on this issue, during which SCAQMD staff, including Executive Officer Wayne Nastri participated and testified. Mr. Hoitsma noted that an estimated 60 other individuals and groups also testified, and that nearly all of those witnesses were opposed to the U.S. EPA proposal, due to its negative impact on emissions. The only prominent voice in support of the proposal was the Owner-Operator Independent Drivers Association, which argued that this would help the glider industry by relieving them of federal mandates. Mr. Hoitsma stated that the public comment period would be open until January 5, 2018.

Mr. Hoitsma also stated that SCAQMD staff met in Washington D.C. with new U.S. EPA Assistant Administrator for Air and Radiation Bill Wehrum. Mr. Hoitsma stated that Mr. Wehrum had been the only U.S. Senate confirmed appointee at the U.S. EPA, other than the Administrator. Mr. Hoitsma also noted that Susan Bodine was just very recently confirmed by the U.S. Senate as the U.S. EPA's Assistant Administrator for Enforcement and Compliance Assurance, and that Andrew Wheeler is still in line to be the Deputy Administrator of U.S. EPA with the expectation that he would be confirmed before Congress recesses for the year.

Mr. Hoitsma reported that the U.S. EPA on November 30 issued a final rule on the renewable fuel standard, which sets the volume requirements for ethanol, biofuel, biodiesel and how much of those should be blended into the fuel supply. Mr. Hoitsma stated that this is always an issue with strong interest because it pits the farm states against the oil states. Through the rulemaking, U.S. EPA split the difference and neither side was happy with the compromised result. President Trump met with a group of senators and others from the oil industry and tasked them with getting together with the other side to try to work together and come up with a solution on the issue.

Mr. Harvey Eder, of the Public Solar Power Coalition, made a public comment asking for clarification on whether the glider issue was related to electric vehicles in any way. In response, Mr. Nastri stated that the glider provisions involve whether an older diesel engine can be moved from an older truck that has been in an accident into a new truck chassis; the rule required the engine meet the standards of the year of installation. The proposed changes to the rule by the U.S. EPA would facilitate a loophole for dirty diesel truck engines which the rule acted to remove. Mr. Nastri stated that the testimony from the hearing was focused on whether older, higher-polluting engines without pollution controls should be allowed to continue operating in the market, rather than be phased out. Mr. Nastri stated that by repealing the

provision of the Phase 2 rule, the investments made under the Diesel Emission Reduction Act (DERA), which incentivizes the replacement of older engines, would be undone. Mr. Nastri stated that the glider issue is very specific and does not relate to solar or electric vehicles.

Ms. Jenkins gave an update relating to the U.S. EPA Administrator, Scott Pruitt's testimony before the U.S. House Energy and Commerce Committee. Ms. Jenkins stated that two California members raised questions relating to issues of interest to SCAQMD during the hearing. Congresswoman Doris Matsui asked Administrator Pruitt about the California waiver and what he was doing with it, and Administrator Pruitt assured Congresswoman Matsui that he was engaged with California and would do outreach. Ms. Jenkins stated that Congresswoman Matsui made a reference to Administrator Pruitt's philosophy regarding states' rights, to which Administrator Pruitt responded, "Federalism principles don't say that one state can dictate to the rest of the country the standard for the entire country. A multitude of considerations [exist] with respect to the waiver and they will be considered in due time." Ms. Jenkins emphasized that Administrator Pruitt did not commit to maintaining the California waiver, and when asked about states' rights, he commented that one state cannot dictate to the rest of the country.

Ms. Jenkins commented that Congressman Raul Ruiz asked Administrator Pruitt about the rewrite of the Clean Power Plan and if he was reversing U.S. EPA's position on the health effects of particle pollution. Administrator Pruitt stated that he is not reversing the position of U.S. EPA, he is replacing the plan. Ms. Jenkins stated that Cassidy would work with SCAQMD staff to see if there are any follow-up actions to consider with the two congressional members to support the issues they raised with Administrator Pruitt.

Mr. Kadesh stated that the U.S. House is preparing a \$4.4 billion wildfire relief package for Northern California, so it is very possible that there may be a future effort to help Southern California on this same issue through similar funding. Since air pollution is such a big consequence of these wildfires, his firm will work with SCAQMD staff to look for opportunities to help address related air quality issues within the South Coast region. Further, Mr. Kadesh reiterated that a continuing resolution was passed that will apply through December 22, and that it is expected that another continuing resolution will likely be passed to apply through mid-January. Mr. Kadesh mentioned that there are a number of issues that are important to SCAQMD in terms of funding, and that the Senate Interior Appropriations Subcommittee did not mark up a bill, but did produce a bill that will be a part of the conference. Mr. Kadesh noted that some of the key issues include DERA, Targeted Airshed Grants, and the Clean Air Act Section 103 and 105 grants. Also, Mr. Kadesh noted that with respect to the glider issue, although the committee did not take action, it did direct U.S. EPA to report to them on the issue, thus making it clear that Congress is keeping an eye on what U.S. EPA is doing.

## **2. Update on State Legislative Issues [Attachment 3]**

SCAQMD's state legislative consultants (Joe A. Gonsalves & Son and Gonzalez, Quintana, Hunter & Cruz, LLC) provided written reports on various key issues in Sacramento. Mr. Paul Gonsalves of Joe A. Gonsalves & Son and Mr. Jacob Moss of Gonzalez, Quintana, Hunter & Cruz, LLC gave verbal updates as well.

Mr. Gonsalves stated that the Legislature is currently in recess and is scheduled to return on January 3. Mr. Gonsalves reported that it was announced that there will be a new Senate President Pro Tem; former Speaker of the Assembly, now Senator Toni Atkins, will be the next Pro Tem of the State Senate. Mr. Gonsalves noted that she would be the first female Pro Tem in the state's history. Mr. Gonsalves also noted that although the official vote would take place in January, the caucus came out in united support for Senator Atkins. Mr. Gonsalves commented that some changes in the Senate leadership team and in committees would be expected, but that many of the committee chairs would likely stay the same, such as in Transportation and Housing and other committees that have remained fairly consistent.

In response to an inquiry from Dr. Parker regarding when the formal transition would occur, Mr. Gonsalves stated that there was no announced date, but that the vote would take place in early January. Mr. Gonsalves also stated that he expects that focus will start shifting over to Senator Atkins, due to the current Senate President Pro Tem Kevin de León's focus on running for U.S. Senate.

Mr. Moss reported that the ongoing conversation about sexual harassment issues would likely continue for the next year or so, and that it will continue to be a hot topic and at the forefront in the Legislature.

### **ACTION ITEM:**

## **3. Recommend 2018 Legislative Goals and Objectives [Attachment 4]**

Mr. Derrick Alatorre, Deputy Executive Officer of Legislative, Public Affairs and Media, presented SCAQMD's proposed 2018 state and federal Legislative Goals and Objectives to the Committee. Mr. Alatorre stated that the two sets of legislative goals and objectives are intended to protect public health and facilitate attainment of state and federal clean air standards within the South Coast region, while serving as a resource as staff works with legislative representation and legislators in Sacramento and Washington, D.C.; the Governor's Office; the White House; federal, state, and local agencies; business, environmental and community groups; and other stakeholders. Mr. Alatorre noted that both the State and federal legislative goals and objectives focus on:

- Seeking increased funding sources for clean air programs that protect public health and ensure attainment of state and federal air quality standards, particularly incentive programs that support the 2016 AQMP;
- Working to ensure that the state and federal governments do their fair share to reduce air pollution by providing legislative, funding, and regulatory support to the SCAQMD to implement the 2016 AQMP and meet national air quality standards by upcoming deadlines;
- Supporting policies and funding that promote the development and deployment of zero and near-zero emission infrastructure, equipment and vehicles;
- Protecting and ensuring adequate SCAQMD authority for implementation of the Governing Board's clean air policies and programs, as required by state and federal law, including the 2016 AQMP;
- Supporting legislation, policies and administrative actions that encourage job retention and creation, and promote economic growth, while working toward attainment of clean air standards; and
- Supporting legislation and funding to promote environmental justice initiatives that: reduce localized health risks from criteria pollutant and toxic air emissions, and develop and expand access to clean air technology that directly benefits disproportionately impacted communities. In particular, this includes securing the necessary resources to fully implement local air districts' responsibilities created by AB 617.

In response to an inquiry from Dr. Parker regarding developments at the federal level and SCAQMD's ability to maintain funding levels to meet AQMP goals, Mr. Nastri stated that, despite some negative activity in Washington, D.C., including some proposed cuts by the Administration, he has hope that Congress will provide support to clean air efforts. Mr. Nastri is optimistic with regards to air quality, air impacts and on being able to educate elected officials and people at the local level about the continued importance of investing in air quality. He is also optimistic about SCAQMD's ability to maintain and increase funding levels for the AQMP. Mr. Nastri stated that SCAQMD will have to work collaboratively and engage in many partnerships to maintain the integrity of the Clean Air Act while providing the relief needed to address various clean air issues.

A discussion regarding AQMP funding, collaboration and partnerships ensued, including the need for increased partnerships with the Ports of Los Angeles and Long Beach.

A public comment was made by Ms. Rita Loof regarding the proposed 2018 legislative goals and objectives, and in particular the goal to reduce toxic emissions. Ms. Loof urges SCAQMD to partner with facilities that are trying to phase out chrome and that it would fit in well with these goals. For funding, Ms. Loof commented that staff should look into partnerships with those looking to eliminate toxic emissions.

*Staff recommended a position of APPROVE on this item*

Moved by Parker; seconded by Buscaino; unanimously approved

Ayes: Buscaino, McCallon, Mitchell, Parker, Rutherford

Noes: None

Abstain: None

Absent: Nelson

#### **WRITTEN REPORT:**

#### **4. Report from SCAQMD Home Rule Advisory Group [Attachment 5]**

Please refer to Attachment 5 for the written report.

#### **OTHER MATTERS:**

#### **5. Other Business**

There was no other business.

#### **6. Public Comment Period**

Mr. Eder commented about an L.A. Times article on a study that found that the drought in California was the most severe in 1,200 years. Mr. Eder stated that the ice in the Arctic is melting, and that this will cause changes in weather patterns as well as cause a 10-15 percent reduction in rainfall in California.

#### **7. Next Meeting Date**

The next regular Legislative Committee meeting is scheduled for Friday, January 12, 2018 at 9:00 a.m.

#### **Adjournment**

The meeting adjourned at 9:37 a.m.

#### **Attachments**

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports
4. Draft 2018 State and Federal Legislative Goals and Objectives
5. SCAQMD Home Rule Advisory Group Report – Written Report

## **ATTACHMENT 1**

### **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE ATTENDANCE RECORD – December 8, 2017**

Council member Buscaino (Videoconference) .....	SCAQMD Board Member
Mayor Pro-Tem McCallon (Videoconference) .....	SCAQMD Board Member
Council member Judith Mitchell .....	SCAQMD Board Member
Dr. Clark E. Parker, Sr. (Videoconference) .....	SCAQMD Board Member
Supervisor Janice Rutherford (Videoconference) .....	SCAQMD Board Member
Mark Abramowitz .....	Board Consultant (Lyou)
Ron Ketcham .....	Board Consultant (McCallon)
Gary Hoitsma (teleconference) .....	The Carmen Group
Amelia Jenkins (teleconference) .....	Cassidy & Associates
Mark Kadesh (teleconference) .....	Kadesh & Associates
Paul Gonsalves (teleconference) .....	Joe A. Gonsalves & Son
Jacob Moss (teleconference) .....	Gonzalez, Quintana, Hunter & Cruz
Harvey Eder .....	Public Solar Power Coalition - PSPC
Tom Gross .....	Southern California Edison
Bill LaMarr .....	California Small Business Alliance
Rita Loof .....	RadTech
Erick Martell .....	Port of Los Angeles
David Rothbart .....	Los Angeles County Sanitation Districts
Susan Stark .....	Andeavor
Derrick Alatorre .....	SCAQMD Staff
Leeor Alpern .....	SCAQMD Staff
Debra Ashby .....	SCAQMD Staff
Barbara Baird .....	SCAQMD Staff
Philip Crabbe .....	SCAQMD Staff
Philip Fine .....	SCAQMD Staff
Laura Garrett .....	SCAQMD Staff
Matt Miyasato .....	SCAQMD Staff
Ron Moskowitz .....	SCAQMD Staff
Wayne Nastri .....	SCAQMD Staff
Robert Paud .....	SCAQMD Staff
Mary Reichert .....	SCAQMD Staff
Jeanette Short .....	SCAQMD Staff
Lisa Tanaka O'Malley .....	SCAQMD Staff
Laki Tisopulos .....	SCAQMD Staff
Todd Warden .....	SCAQMD Staff
Kim White .....	SCAQMD Staff
Jill Whynot .....	SCAQMD Staff
Paul Wright .....	SCAQMD Staff



## **ATTACHMENT 2**

### **MEMORANDUM**

**To:** South Coast AQMD Legislative Committee

**From:** Carmen Group

**Date:** November 22, 2017

**Re:** Federal Update -- Executive Branch

---

**EPA Proposes Repeal of Glider Provisions from Heavy-Truck Rule:** In November, the EPA formally proposed the repeal of an Obama Administration's rule that applied the Medium- and Heavy-Duty Truck Phase II Greenhouse Gas Emission and Fuel Efficiency Standards to the glider industry. Gliders are a specially manufactured type of heavy duty truck assembled from newly manufactured kits that include the vehicle's frame and cab, to which a used engine, transmission and axles are added. In its new notice of proposed rulemaking (NPRM), the EPA is now arguing that the gliders should not be regulated as "new motor vehicles" or "new motor vehicle engines" under section 202(a)(1) of the Clean Air Act, and that the previous administration's decision to do so was an example of improper regulatory overreach. EPA Administrator Scott Pruitt argued that the Obama rule was an effort to "bend the rule of law and expand the reach of the federal government in a way that threatened to put an entire industry of specialized truck manufacturers out of business." Pruitt said the issued boiled down to an interpretation of the Clean Air Act. He also said that "Gliders not only provide a more affordable option for smaller owners and operators, but also serve as a key economic driver to numerous rural communities." His statement did not address the adverse impact a repeal of the Obama rule might have on truck emissions.

**EPA Makes Final Ozone Attainment Designations in Most Areas:** The EPA announced in November that the Agency had largely met the statutory deadline to make final ozone attainment designations in 90 percent of the country, and that it would continue to work with the remaining areas on their designations. Meanwhile, it did not issue a list of nonattainment area designations, but indicated that would likely come later. Under the Clean Air Act, the EPA has two years from the time new National Ambient Air Quality Standards are promulgated to when it must make its area attainment designations. In June of this year, EPA informed Governors that it was extending the deadline by one year for the 2015 NAAQS for ozone. Then in August, EPA announced it would still move forward with the 2015 ozone designations on a case-by-case basis, under which most areas in the country would still be able to meet the original deadline, and not the extended deadline. EPA described its flexibility on the matter as an example of "cooperative federalism" under which EPA would continue to work closely with the states, recognizing that certain technical and other issues might cause delays, but assuring states that they would have the long-term certainty they need to address complicating factors.

**Proven Process. Proven Results.™**



**EPA Directive on Federal Advisory Committees:** EPA Administrator Scott Pruitt announced that members the agency's three main science advisory committees would be prohibited from receiving EPA grant funding while they served on any of the committees. These would include The Science Advisory Board, the Clean Air Scientific Advisory Committee (CASAC) and the Board of Scientific Counselors (BOSC). He billed the move as an effort to promote scientific integrity and ensure that committee members are independent of the EPA. The directive also calls for committee memberships to be balanced with individuals from different states and EPA regions and for the memberships to be rotated regularly. Pruitt said EPA advisory board members had received \$77 million in grant money over the past three years. "When we have members of those committees that received tens of millions of dollars in grants at the same time that they are advising this agency on rulemaking, that is not good," he said. Subsequently, in compliance with his own directive, Pruitt announced his appointments to the three science advisory committees.

**Infrastructure Update:** As Congress focuses on tax reform through the end of the year, behind-the-scenes discussions on infrastructure are continuing in the White House and in key federal agencies. The issue is expected to be among the Administration's top priorities early next year once the tax debate is concluded in Congress. A key unresolved issue is how the initiative -- expected to be a minimum of \$200 billion or more over ten years in direct federal spending -- will be paid for. In October, reports surfaced that consideration was being given to a possible increase in the federal gas tax, but it appeared only to be a suggestion that the issue might be put up for a vote in Congress, not that it would be proposed by the Administration or that such a vote could pass. Conventional wisdom is that such a vote would be certain to fail, unless the President was solidly behind it.

**FHWA Awards Grants for Exploring New Ways to Pay for Highways:** The Federal Highway Administration (FHWA) awarded \$15 million in grants to six states -- CA, CO, DE, MO, WA, OR -- that are exploring new ways to fund highway and bridge projects and related infrastructure. This included a grant of \$1,750,000 to Caltrans to explore "mechanisms to collect revenue at pay-at-the-pump charging stations."

**Senate Confirms Wehrum to Lead EPA Air Office:** On November 9, the Senate voted to confirm William Wehrum to be Assistant Administrator for EPA's Office of Air and Radiation. The 49-47 vote was mostly along party lines, with Sen. Susan Collins (R-ME) being the only Republican to vote against. Democrats were united in opposition, citing Wehrum's ties to business and the fossil fuel energy industry in his recent law practice work.

**Subcabinet Appointment of Interest:**

Department of Energy

**Linda Capuano** of Texas to be **Administrator, Energy Information Administration**. Previously served as fellow at Rice University's Baker Institute for Public Policy's Center for Energy Studies; vice president of technology at Marathon Oil Corporation; chief technology office at Advanced Energy Industries. Ph.D. and M.S. from Stanford University.

**To:** South Coast Air Quality Management District

**From:** Cassidy & Associates

**Date:** November 22, 2017

**Re:** Federal Update

---

### **DC General Update**

Congress spent the bulk on November focused on moving forward with tax legislation in both Chambers of Congress. The House successfully passed tax reform legislation the week prior to the Thanksgiving recess. The Senate reported similar legislation out of the Senate Finance Committee the same week. The Senate is expected to take up the legislation upon return from the Thanksgiving break with the goal of reaching agreement with the House prior to December 12.

Meanwhile, the current government funding legislation expires on December 8<sup>th</sup>. It is expected that Congress will enact a two week continuing resolution to fund the government through December 22<sup>nd</sup> to allow a broad omnibus funding bill to be fully formulated. While the House has passed the Interior and Environment appropriations bill, which would provide funding for the EPA, the Senate has released legislation that will not be marked up by the full Appropriations Committee.

### **Issues of Interest to SCAQMD**

#### **Comprehensive Energy Legislation**

The Senate's comprehensive Energy legislation, S. 1460, remains stalled on the Senate Floor awaiting a break in the legislative calendar to be considered. At this time, Chairman Lisa Murkowski (R-AK) expects the legislation to be considered in the early Spring of 2018.

Of note for SCAQMD, the Majority Staff has asked SCAQMD to weigh in on the Section 4001 and 4002, relating to State Loan Eligibility for Incentives for Innovative Technologies as well as a Program for Rapid Deployment of Renewable Energy and Electric Power Transmission Projects.

Senator Murkowski's staff has also asked for an updated letter of support for S. 1460. SCAQMD wrote a letter of support for the legislation last year, specifically highlighting the Vehicle Innovation Act, which remains in the updated version of the legislation.

The Cassidy team will continue to work with the Energy and Natural Resources Committee on these specifics and to ensure that SCAQMD's funding and policy goals are reflected in the overall legislation as it moves forward through the Senate and into Conference.

## **Tax Reform Update**

Last week the House passed a tax code rewrite and the Senate Finance Committee backed its own plan. There's still plenty of changes expected before a bill reaches the White House. The Senate measure has tied a partial Obamacare repeal to the tax language, which is likely to make floor action more dramatic. The two chambers will form a conference committee and try to reconcile a litany of differences, after which the House and Senate will have to vote on the compromise measure.

Tax reform has major implications for California, which has one of the largest income tax burdens of all 50 states. The main concern arises from the partial elimination of the state and local tax deduction in the House bill, and the full elimination in the Senate bill.

## **House Committee Actions**

On November 15, House Energy & Commerce's Subcommittee on Environment marked up and approved four bills relevant to air quality. These bills will have to go through a Full Committee markup next. They are:

- HR 350, Recognizing the Protection of Motorsports Act of 2017, which would clarify that anti-tampering provisions for motor vehicles do not apply to competition vehicles. This would be most relevant for NOx.
- H.R. 453, Relief from New Source Performance Standards Act of 2017, would extend the deadlines for NSPS for new residential wood heaters. This is mostly relevant for PM, VOCs, CO, benzene and other toxics.
- H.R. 1119, the Satisfying Energy Needs and Saving the Environment (SENSE) Act, which would provide alternative compliance options with the Cross-State Air Pollution Rule (CSAPR) and Mercury and Air Toxics Standards (MATS) for coal refuse-to-energy plants. This is most relevant for SOx, mercury and air toxics.
- H.R. 1917, the Blocking Regulatory Interference from Closing Kilns (BRICK) Act of 2017, which would extend National Emission Standards for Hazardous Air Pollutants (NESHAPs) deadlines for brick, structural clay products and clay ceramics manufacturing until judicial review of the rules is completed. This is especially relevant for VOCs and PM.

On November 8, the House Science Committee held a [hearing](#) on Geoengineering and whether proposed technology options can help mitigate the worst effects of climate change. Notably it was the first climate conversation in the Committee in recent memory that largely avoided partisan rancor.

## **Senate Interior Appropriations**

Chairman Lisa Murkowski released the Chairman's mark of the Senate Interior and Environment Appropriations bill on Monday, November 20. As a result of the late date of the release of the legislation, the bill will not be formally marked up by the full Senate Appropriations Committee.

The legislation includes \$32.6 billion in total funding in fiscal 2018, which is \$5.3 billion above President Trump's requested funding levels for the agencies of jurisdiction.

The chart below provides an overview of the overall EPA funding levels between the House and Senate legislation, the President's request and the FY17 enacted levels.

Program	House Recommendation	Senate Subcmte Recommendation	POTUS FY18 Rec <sup>[1]</sup>	FY17 Omnibus
EPA Total	\$7.5 billion	\$7.908b	\$5.7 billion (-30%)	\$8.06 billion
Targeted Airshed Grants	\$40 million <sup>[2]</sup>	\$30 million	\$0	\$30 million
DERA	\$75 million <sup>[3]</sup>	\$40 million	\$10 million	\$60 million

Of further interest to SCAQMD, the Chairman's mark includes report language on the following sections:

- ***“National Ambient Air Quality Standards.***—The Consolidated Appropriations Act, 2017, directed the Agency to provide the Committee with a report on potential administrative options to provide regulatory relief to help States implement ozone air quality standards. The Committee appreciates the work of the Agency to provide those options, but remains concerned about the impact of the 2015 standard for ground-level ozone. The Committee is concerned that the standard of 70 parts per billion is likely to bring additional areas of the country into non-attainment, which may have adverse economic consequences.”
- ***“Targeted Airshed Grant--*** These grants shall be distributed on a competitive basis to nonattainment areas that EPA determines are ranked as the top five most polluted areas relative to annual ozone or particulate matter 2.5 standards as well as the top five areas based on the 24-hour particulate matter 2.5 standard where the design values exceed the 35 mg/m3 standard.”
- ***“Gliders.***—The Committee understands the [EPA] has announced plans to revisit portions of its Phase 2 Greenhouse Gas [GHG] Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines following concerns related to stakeholders in the trailer and glider industry. The Committee believes that the Agency's decision to classify glider kits as new motor vehicles raises a number of valid concerns and urges the Agency to complete its review expeditiously. Upon completion of the review, the Agency is directed to brief the Committee on the matter.”

## **Budget**

The month of November did not match the range of high-profile action which occurred on budget related matters in Congress during the previous month (October). In fact, neither the Senate or House Budget Committees held a single hearing during this month.

However, the Senate Budget Committee is widely expected to have a critical role in the coming weeks. Under the existing reconciliation rules which are largely driving the existing budget process, the Senate Budget Committee will be tasked with combining the measures previously reported by the Senate Energy and Natural Resources Committee which permits new oil and gas exploration in the Arctic National Wildlife and the work of the Senate Finance Committee on tax reform.

<sup>[1]</sup> <https://energy.gov/sites/prod/files/2017/05/f34/FY2018BudgetVolume3.pdf>

<sup>[2]</sup> <https://www.eenews.net/eedaily/2017/10/16/stories/1060063665>

<sup>[3]</sup> <https://www.eenews.net/eedaily/2017/10/16/stories/1060063665>

When the Senate Budget Committee completes this work, Senate Majority Leader McConnell will be expected to move to the combined reconciliation measure. Under the rules of the Senate, debate on this measure will be limited to 20 hours and amendments must be germane. Traditionally, the House Rules Committee typically sets limitations on debate and the offering of amendments during its consideration of reconciliation measures.

### **House Legislation Update**

#### **H.R.4381**

**Sponsor:** Rep. Stephen Lynch (D-MA)

**Introduced:** 11/13/17

**Summary:** To require certain holders of a certificate of public convenience and necessity issued under the Natural Gas Act to suspend activities authorized by the certificate until violations relating to air quality are remediated, and for other purposes.

#### **H.R.4114/S.1996 – *Environmental Justice Act of 2017***

**Sponsor:** Rep. Raul Ruiz (D-CA)/Sen. Cory Booker (D-NJ)

**Introduced:** 10/24/17

**Summary:** A bill to require Federal agencies to address environmental justice, to require consideration of cumulative impacts in certain permitting decisions, and for other purposes.

#### **H.R. 3981/ S. 1930 - Pollution Transparency Act**

**Sponsor:** Rep. McEachin (D-MD)/Sen. Bennett (D-CO)

**Introduced:** 10/5/2017

**Summary:** A bill to establish a cost of greenhouse gases for carbon dioxide, methane, and nitrous oxide to be used by Federal agencies, and for other purposes.

# **KADESH & ASSOCIATES, LLC**

## **MEMORANDUM**

To: South Coast AQMD Legislative Committee  
From: Kadesh & Associates  
Date: November 22, 2017  
Re: Federal Legislative Update – December 2017 Legislative Committee

---

### **Appropriations**

To date, the House has completed work on its FY18 appropriation bills, but the Senate has bills remaining for markup. At some point, appropriations staff will abandon markup efforts and will turn to preparing for conference.

In November, the Senate Appropriations Committee released the last of its 12 spending bills: the Defense and Homeland Security measures. The bills lay down the Senate's marker before negotiations next month to fund the government. Lawmakers currently face a December 8 deadline to avoid a shutdown, and have discussed another stopgap funding measure to push that date to Dec. 22. The Homeland bill follows through on Republicans' promise to fund portions of a wall on the U.S.-Mexico border. Democrats have warned that particular measure could sink a spending deal.

Meanwhile, the Defense bill released sets the stage for bicameral talks to raise spending caps, as it calls for \$581.3 billion, \$59.3 billion more than the legal ceiling set for Pentagon funding. The proposed measure would exceed the \$516.1 billion fiscal 2017 Pentagon spending and would be \$15.4 billion more than President Trump's request for 2018. Leaders will also have to secure some Democratic support to raise spending above the \$522 billion cap for the Pentagon as a result of the 2011 Budget Control Act. The Budget Control Act sets a cap of \$549 billion for all national security programs, and Pentagon spending makes up the bulk of that.

### **Budget and Tax Reform**

In November, Congress continued the FY18 budget and appropriations processes. Building on the passage of budget resolutions in October, the House took up expedited consideration of tax reform. Ultimately, the House passed H.R. 1 -- a tax reduction/reform package of \$1.5 trillion -- on November 17 by a vote of 227 to 205. All Democrats plus 13 Republicans voted no. Of those 13, nine were from New York and New Jersey, three were from California and one from North Carolina. The current Continuing Resolution and the debt ceiling both expire on December 8.

## **Tax Reform and Reduction -- Senate**

The Senate released the 515-page text of its sweeping tax legislation, with Republican leaders planning to hold a floor vote on it within 10 days. That short span reflects an unusually fast process in both chambers. The House passed its tax bill 14 days after releasing its text. An independent analysis found that the Senate legislation would result in between \$1.3 trillion and \$1.5 trillion in lost revenue over 10 years -- even after considering economic growth effects. The Penn-Wharton Budget Model at the University of Pennsylvania released the finding, which counters assertions from the bill's proponents that it would pay for its tax cuts with increased growth.

## **Senate Interior Appropriations' "Chairman's Mark" and Report Released**

Unlikely to go to an actual markup, the Senate Interior Appropriations bill will serve as a vehicle to negotiate with the House. The Senate Interior Appropriations bill and Explanatory Statement (aka the Report) include several items relevant to SCAQMD:

- p. 64        **"Gliders.**—The Committee understands the Agency has announced plans to revisit portions of its Phase 2 Greenhouse Gas [GHG] Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines following concerns related to stakeholders in the trailer and glider industry. The Committee believes that the Agency's decision to classify glider kits as new motor vehicles raises a number of valid concerns and urges the Agency to complete its review expeditiously. Upon completion of the review, the Agency is directed to brief the Committee on the matter."
  
- p. 71        **"Targeted Air Shed Grant.**—\$30,000,000 has been provided for Targeted Air Shed Grants. These grants shall be distributed on a competitive basis to nonattainment areas that EPA determines are ranked as the top five most polluted areas relative to annual ozone or particulate matter 2.5 standards as well as the top five areas based on the 24-hour particulate matter 2.5 standard where the design values exceed the 35 mg/m<sup>3</sup> standard. To determine these areas, the Agency shall use the most recent design values calculated from validated air quality data. The Committees notes that these funds are available for emission reduction activities deemed necessary for compliance with national ambient air quality standards and included in a State Implementation Plan submitted to EPA. Not later than the end of fiscal year 2018, EPA should provide a report to the Committees on Appropriations that includes a table showing how fiscal year 2016 and 2017 funds were allocated. The table should also include grant recipients and metrics for anticipated or actual results."
  
- p. 72:        **Categorical Grants.**—For categorical grants to States and other environmental partners for the implementation of delegated programs, the bill provides \$1,091,041,000, an increase of \$25,000,000 over the fiscal year 2017 enacted level. The Committee continues to reject the elimination of the Radon program and the Beaches Protection program and funding is provided at fiscal year 2017 enacted levels for both programs. The Committee has provided additional funding to the

States because the States are expected to continue the leading role they have taken to ensure compliance with environmental statutes. The Committee believes that it is important for the Agency to work collaboratively with State partners and to provide them support as they attempt to implement delegated environmental program.

**Categorical Grant: Multipurpose Grants.**—Because the States are expected to take a leading role in compliance with environmental cleanup, the bill contains \$10,000,000 for Multipurpose grants to States and Tribes. The Committee was disappointed with the Agency’s funding formula in fiscal year 2016 because it did not provide the flexibility that Congress expected and instead gave preference to air programs. In fiscal year 2018, the Agency is directed to give maximum flexibility to states, so that states, not the Agency, may determine where funds from this grant program are of most value.

**Categorical Grant: Nonpoint Source (Sec. 319).**—The Committee has provided \$170,915,000 in Nonpoint Source grants, equal to the fiscal year 2017 level. The Committee expects the Agency to examine the allocation formula to ensure that resources are being spent in areas with the most pressing need.

**Categorical Grant: Pollution Control (Sec. 106)** —The bill provides \$235,806,000 for pollution control grants to help States maintain adequate programs for the prevention and control of surface and groundwater from point and nonpoint sources. This is an increase of \$5,000,000 above the fiscal year 2017 level.

**Categorical Grant State and Local Air Quality Management.**— The bill provides \$238,219,000 for State and Local Air Quality Management Grants, an increase of \$10,000,000. The Agency is directed to allocate funds for this program using the same formula as fiscal year 2015. The Committee understand the Office of Air and Radiation was able to provide some additional funds to the States in fiscal year 2016 using balances. The Committees encourage the Agency to do the same in fiscal year 2018 and to provide those additional funds to the regions with the highest need. Should the Agency seek to change the formula, it should submit a proposal in its fiscal year 2019 budget justification for consideration by the Committee.

p. 85

**Diesel Emission Reduction Act (DERA):** \$40,000,000 shall be for grants under title VII, subtitle G of the Energy Policy Act of 2005; \$30,000,000 shall be for targeted air shed grants in accordance with the terms and conditions of the report accompanying this Act;

###



## **ATTACHMENT 3**



TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – November 2017

DATE: Friday, November 17, 2017

---

As you know, the Legislature adjourned on Friday, September 15, 2017 and will reconvene on Wednesday, January 3, 2018.

In 2017, the Legislature introduced a total of 2,980 bills (998 Senate bills and 1928 Assembly bills) and 1307 were sent to the Governor for his consideration.

The Governor had until Sunday, October 15, 2017 to take action on all 1307 bills, which he signed 1189 and vetoed 118. The remaining 1673 bills are 2-year bills and will be heard during the 2018 legislative session.

The 2018 Legislative session is scheduled to begin on Wednesday, January 3, 2018. Please see the calendar below for the 2018 Legislative Deadlines.

The following will provide you of issues of interest to the District:

- Governor's Actions on Legislation
- Legislative Deadlines

## **LEGISLATION**

### **AB 1073 (E. Garcia)**

The California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program funds zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies and related projects. Existing law requires the state board, when funding a specified class of projects, to allocate, until January 1, 2018, no less than 20% of that available funding to support the early commercial deployment of existing zero- and near-zero-emission heavy-duty truck technology.

This bill extends until January 1, 2020, the requirement that the ARB dedicate 20% of California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program to support early commercial deployment of existing zero- and near-zero-emission heavy-duty trucks.

This bill was passed off the assembly floor on September 11, 2017 with a 78-0 vote. On October 10, 2017, Governor Brown signed this bill.

### **AB 1082 (Burke)**

This bill authorizes an electrical corporation to file with the California Public Utilities Commission (CPUC) a pilot program proposal for the installation of electric charging stations at school facilities and other educational institutions.

This bill was passed off the assembly floor on September 13, 2017 with a 57-21 vote. On October 10, 2017, Governor Brown signed this bill.

### **AB 1083 (Burke)**

This bill authorizes an electrical corporation to file with the CPUC a pilot program proposal for the installation of electric charging stations at state parks and beaches.

This bill was passed off the assembly floor on September 14, 2017 with a 55-22 vote. On October 10, 2017, Governor Brown signed this bill.

### **AB 1646 (Muratsuchi)**

This bill requires an implementing agency to develop an integrated alerting and notification system, in coordination with local emergency management agencies, unified program agencies, local first response agencies, and the public, to be used to notify the community surrounding a petroleum refinery in the event of an incident at the refinery.

This bill was passed off the assembly floor on September 11, 2017 with a 55-18 vote. On October 8, 2017, Governor Brown signed this bill.

## AB 1647 (Muratsuchi)

This bill is the companion bill to AB 1646. This bill requires community and fence-line air monitoring systems at and near each petroleum refinery.

This bill was passed off the assembly floor on September 13, 2017 with a 57-19 vote. On October 8, 2017, Governor Brown signed this bill.

### 2018 LEGISLATIVE DEADLINES

**Jan. 1** Statutes take effect.

**Jan. 3** Legislature reconvenes.

**Jan. 10** Budget must be submitted by Governor.

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

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

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

**Feb. 16** Last day for bills to be **introduced**.

**Mar. 22** **Spring Recess** begins upon adjournment.

**Apr. 2** Legislature reconvenes from Spring Recess.

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

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

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

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

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

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

**June 4** Committee meetings may resume.

**June 15** Budget Bill must be passed by midnight.

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

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

**July 6** Last day for **policy committees** to meet and report bills. **Summer Recess** begins on adjournment, provided Budget Bill has been passed.

**Aug. 6** Legislature reconvenes from Summer Recess.

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

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

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

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

###



SCAQMD Report  
Gonzalez, Quintana, Hunter & Cruz, LLC  
December 8, 2017 Legislative Committee Hearing

**General Update**

Because of California Senate President Pro Tem Kevin de Leon's announcement that he is running for the U.S. Senate, there is a high likelihood of an election for a new Pro Tem. The four likely candidates are Senator Toni Atkins from San Diego, Senator Connie Leyva from the Inland Empire, Senator Bob Hertzberg from the San Fernando valley, and Senator Nancy Skinner from the East Bay Area. The Democratic Caucus can convene and vote at any time regardless of the legislative calendar. It is unclear whether or not a new Pro Tem would immediately reorganize the chairmanships within the Senate or would maintain continuity for the second year of this session. The Senate has seen both complete turnover and continuity in the past.

**Pending 2-year Bills**

Authors have not yet made public commitments about which bills they will be moving forward in January or later next year. With the pending election of a new Pro Tem, this uncertainty is likely to remain until that election takes place.



# **South Coast Air Quality Management District**

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

## **ATTACHMENT 4**

# **DRAFT**

### **SCAQMD's Federal Legislative Goals & Objectives for 2018**

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

#### ***Federal Support***

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

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

#### ***Technology Advancement***

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

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

#### ***Marine Vessels***

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

## SCAQMD's Federal Legislative Goals & Objectives for 2018

### ***Surface Transportation & Goods Movement***

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

### ***Locomotives***

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

### ***Reduction of Toxic Emissions***

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

### ***Environmental Justice***

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

### ***Business/Jobs Climate***

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

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

Support policies, legislation and/or administrative efforts to:

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

### ***Climate Change***

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

### ***New Source Review Offsets***

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



# South Coast Air Quality Management District

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

# DRAFT

## SCAQMD's State Legislative Goals & Objectives for 2018

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

### ***Air Quality Funding***

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

### ***SCAQMD Authority / Policy Implementation***

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

### ***State Support***

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

### ***Environmental Justice***

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

### ***Climate Change***

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

### ***Clean Energy***

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

## SCAQMD's State Legislative Goals & Objectives for 2018

### ***Business/Jobs Climate***

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

### ***Surface Transportation & Goods Movement***

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



# ATTACHMENT 5



**South Coast  
Air Quality Management District**  
21865 Copley Drive, Diamond Bar, CA 91765-4182  
(909) 396-2000 • [www.aqmd.gov](http://www.aqmd.gov)

## **HOME RULE ADVISORY GROUP Wednesday, September 13, 2017 MEETING MINUTES**

### **CHAIR:**

Dr. Joseph Lyou, Governing Board member

### **MEMBERS PRESENT:**

Curt Coleman (Southern California Air Quality Alliance); Jaclyn Ferlita (Air Quality Consultants); Nan Harrold (Orange County Waste & Recycling); Bill LaMarr (California Small Business Alliance); Kristen Torres Pawling (County of Los Angeles, Chief Sustainability Office); Terry Roberts (American Lung Association of California); David Rothbart (Los Angeles County Sanitation District); Patty Senecal (Western States Petroleum Association); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Chris Gallenstein (CARB); Jayne Joy (Eastern Municipal Water District); Rongsheng Luo (SCAG); and Bill Quinn (California Council for Environmental & Economic Balance).

### **MEMBERS ABSENT:**

Micah Ali (Compton Unified School District Board of Trustees); Mike Carroll (Regulatory Flexibility Group); Michael Downs (Downs Energy); Art Montez (AMA International); Penny Newman (Center for Community Action and Environmental Justice); Larry Rubio (Riverside Transit Agency); Larry Smith (Cal Portland Cement); and Amy Zimpfer (EPA).  
Merriest

### **OTHER ATTENDEES:**

Mark Abramowitz (Board Consultant to Dr. Lyou); Doris Lo (EPA); Bridget McCann (Western States Petroleum); Rita Loof (RadTech); Johnny Raymond (CARB); and Susan Stark (Andeavor)

### **SCAQMD STAFF:**

Philip Fine	Deputy Executive Officer
Nicholas Sanchez	Acting Assistant Chief Deputy Counsel
Philip Crabbe	Community Relations Manager
Mike Morris	Program Supervisor
Ann Scagliola	Administrative Secretary

### **OPENING COMMENTS AND SELF-INTRODUCTIONS**

The meeting was called to order at 10:00 a.m. by Dr. Joseph Lyou (Chairman).

## **APPROVAL OF JULY 2017 MEETING MINUTES**

Dr. Lyou asked for comments on the July 12, 2017 meeting minutes. Hearing none, the minutes were approved.

## **EPA AND FEDERAL ACTIVITIES**

Doris Lo-provided an update on recent U.S. EPA and federal activities.

- Final action was taken on August 15, 2017 to approve revisions to the South Coast Air Quality Management District (SCAQMD) portion of the California State Implemented Plan (SIP) concerning RECLAIM. The publication date will be September 14, 2017.
- Final action was taken on August 29, 2017 to approve revisions to the SCAQMD portion of the California State Implemented Plan (SIP) regarding RECLAIM Reasonably Available Control Technologies (RACT) demonstration. The publication date has not yet been determined.
- Final action is being proposed to evaluate RECLAIM rule modifications in relation to the previously identified 2006 State Implementation Plan RACT deficiency.
- Diesel Emission Reduction Act (DERA) funding competitive grant requests for the proposal period is ending July 5, 2017, and staff continues to review submittals and will award grants in the fall of 2017.
- The DERA School Bus Rebate Program will be announced in early October 2017.
- The Tribal DERA Program requests for proposal period will begin this month.
- Targeted Air Shed Grants requests for proposals will close on October 18, 2017.
- National Updates:
  - There are no political appointees yet for Region 9 Regional Administrator and related offices;
  - Bill Wehrum was nominated as EPA Assistant Administrator for the Office of Air and Radiation; and
  - The national ambient air quality standard (NAAQS) for ozone extension request has been withdrawn.

## **Discussion**

Dr. Lyou inquired if Matt Miyasato was advised of the DERA tribal funding. Staff indicated that they would follow-up.

## **CARB REGULATORY ACTIVITIES**

Johnnie Raymond reported on the following items to be discussed at the September 2017 Air Resources Board Meeting and other newsworthy items.

- Recently the California Air Resources Board celebrated its 50th anniversary, which involved new branding, a new logo and a new website is coming soon.
- The Board will consider the approval of the Ozone SIP for East Kern County.
- The Board will hear an update of the PM2.5 SIP for the San Joaquin Valley.
- Last month the Cap and Trade auction results were released, which reflected that it was successful and helped to reflect the market certainty.
- CARB is continuing to implement SB 1383 the Short-lived Climate Pollutant Strategy.
  - A Dairy Digester Subgroup meeting was held on September 7, 2017.
- There are upcoming community meetings in September 2017 to discuss concepts for minimizing community health impacts from large freight facilities including seaports, railyards, warehouses, and distribution centers. These freight related activities will also support CARB's efforts to implement AB 617.

### **Discussion**

Kristen Torres Pawling requested the date of the Long Beach workshop. Johnnie Raymond indicated that the meeting date is September 19, from 6:00 to 8:00 pm, at the Long Beach Main Library.

Dan McGivney inquired about the possibility of having the CARB staff provide a presentation on AB 617. Dr. Lyou suggested that CARB could provide an update at the November Home Rule meeting. Phil Fine commented that AB 617 impacts both CARB and the District, and suggested a coordinated presentation from both agencies. Johnny Raymond indicated that it should not be a problem, but would need to check with the Office of Community Air Protection (OCAP) management to confirm, and will get back to Dr. Fine.

Bill Quinn requested CARB's clarification on how the facility-based measures that came out of the AQMP process are now merged into their AB 617 implementation efforts. Johnny Raymond responded that staff efforts were directed by CARB's Board request for concepts to control pollution from large freight facilities.

David Rothbart inquired if the AB 617 presentation for the November Home Rule meeting could also include the role of CARB versus South Coast. Staff indicated this would be addressed.

### **LEGISLATIVE UPDATE**

Philip Crabbe provided a recap of the September 8, 2017 Legislative Committee meeting.

#### **Update on Federal Legislative Issues**

SCAQMD's federal legislative consultants reported that President Trump continues to talk about pushing a major infrastructure bill. This has not happened yet because the legislative agenda is currently crowded with tax reform and other matters. There is no current Administration bill and general principles have been provided regarding this proposed legislation, through which \$200 billion of federal money would be invested in order to leverage another \$800 billion from other sources to become a trillion dollar investment in infrastructure over the next 10 years. Democrats are balking at this approach and desire a bigger federal investment upfront. Once the process for this federal infrastructure bill gets moving, SCAQMD's goal is to have clean air infrastructure funding included.

The federal consultants reported that President Trump announced an environmental review executive order and reiterated that several things are already underway to streamline the permitting process and expedite infrastructure projects. This effort is designed to get more private investment into infrastructure. The executive order also repealed the previous Administration's executive order on climate change, which required agencies to factor in climate change, such as projected sea level rise and flooding issues, in their decision-making in infrastructure projects.

The Department of Transportation (DOT) announced its next round of Transportation Investment Generating Economic Recovery (TIGER) grants, which would make \$500 million available for major transportation infrastructure projects. Applications for these grants are due in October, and grants would be for projects between \$5 million and \$25 million. In the past, these grants have provided money for clean air related infrastructure developments.

The federal consultants indicated that the House continues to work its way through the spending bill package. A proposed amendment to this legislation by Congressman Gary Palmer (AL) would have tried to cut funding for Diesel Emission Reduction Act (DERA) grants. However, this amendment

as of yet has not been formally presented. The current level being proposed by the spending package is \$75 million for DERA.

Currently, there is a continuing resolution in place with regard to spending that lasts through December 8<sup>th</sup>, so spending issues may not be revisited until then.

### **Update on State Legislative Issues**

The SCAQMD's state consultants reported there is one week left in the state legislative session and a large focus is on the \$1.5 billion in Greenhouse Gas Reduction Fund (GGRF) monies, that are yet to be allocated. The Legislature had until Tuesday to get legislation on this issue in print, due to the new rule that requires bills to be in print for 72-hours before they are voted on the Senate or Assembly floors.

Previously, Governor Jerry Brown had released his plan, which included \$1.5 billion in spending, and Senate President pro Tem Kevin de Leon also released a proposed spending plan. On Tuesday, bills were released in print that laid out the final agreement regarding allocations of the \$1.5 billion in available funding. Two of these bills: AB 134 (with an identical companion bill: SB 119) – allocated \$900 million of these monies, including:

- \$250 million for Carl Moyer Projects statewide, with 43% (based on percentage of state population) of this going to the South Coast region, i.e. \$107.5 million;
- \$85 million to reduce agricultural sector related emissions;
- \$140 million – for the Freight Equipment and Advanced Demonstration and Pilot Commercial Deployment Project;
- \$180 million for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), with at least \$35 million going to zero-emission buses;
- \$140 clean vehicle rebate program (CVRP); and
- \$100 million for the enhanced fleet modernization program (EFMP) and EFMP-Plus UP.

An additional bill: AB 109 (with an identical companion bill: SB 93) – allocated the remaining cap and trade monies for items including enhanced community monitoring. These allocations included: \$27 million statewide to help local air districts implement new air monitoring requirements under AB 617, for the coming year.

The state consultants provided an update on the SCAQMD sponsored bill AB 1274 (O'Donnell), which delays the first smog check for a vehicle from the end of year six to the end of year eight and instead charges a smog abatement fee of \$50 at the end of year six. This fee is less than what the consumer would have paid on average for a smog check, along with the required smog check certificate fee (\$8.25). These smog abatement fee monies are directed to the Carl Moyer Program for more effective reductions in diesel particulate matter and nitrogen oxides emissions from heavy duty vehicles.

Mr. Crabbe stated that this bill just passed the Senate on a two-thirds vote and has now headed back to the Assembly for a concurrence vote, which would also be a two-thirds vote. If successful, the bill would head to the Governor to be signed into law.

AB 1274 would add to the Carl Moyer funding pot and would more than double the amount of statewide Carl Moyer funding. SCAQMD's portion would be 43% of this new funding and would range from about \$30 million to \$40 million per year. This bill would not be implemented until January 1, 2019.

Mr. Crabbe reported that AB 617 (C. Garcia) mandates several new programs and responsibilities for SCAQMD, and other local air districts, including:

- Community Monitoring and Analysis;
- Development and implementation of community emission reduction programs;
- Best Available Retrofit Control Technology or “BARCT” Implementation: which involves new BARCT assessments and subsequent amendments to SCAQMD rules and a fast pace; and
- Uniform Emission Reporting: requires a modification of SCAQMD’s Annual Emission Reporting (AER) system. This modification is needed to accommodate additional reporting procedures for a statewide uniform emission reporting system created under AB 617.

AB 617 also increases civil and criminal penalties for air pollution violations, adjusting strict liability penalty limits which have not been increased for decades, and requires inflation adjustments going forward.

### **Discussion**

Bill LaMarr inquired if some of the allocated \$10 to 15M will be used to offset the anticipated Rule 1469 monitoring costs. Staff indicated that the rule language has evolved over the last few months and many of the monitoring requirements have been removed.

Dr. Lyou inquired if the members had heard if the European Union had prohibited hexavalent chromium plating operations. Staff indicated that they would check into this.

Jaclyn Ferlita inquired about AB 617 and its effects on the RECLAIM program. Staff indicated that the AB 617 compressed timelines will affect the facilities coming out of RECLAIM and this issue will be addressed in future RECLAIM Working Group meetings.

Curt Coleman inquired about the status of an earlier District sponsored bill to redefine the level of emissions in fleet vehicles. Staff indicated that AB 302 was a directive from the Board as an amendment to the AQMP, which became a two-year bill and will not be addressed until next year and currently stands as a directive from the Board to go ahead and pursue.

Bill Quinn asked about the status of the budget trailer bills and if the District was taking a position. Staff indicated that we are supporting these bills going through the committee process, due to the 72-hour rule no changes can be made at this time.

### **UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS**

Nicholas Sanchez indicated there were no updates to the provided litigation status report handout.

### **RULE 1466 –CONTROL OF PARTICULATE EMISSIONS FROM SOILS WITH TOXIC AIR CONTAMINANTS**

Mike Morris presented provided an overview of the recently adopted SCAQMD Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants.

### **Discussion**

David Rothbart voiced concerns about the ability for sites to comply with the 25 µg/m<sup>3</sup> PM10 standard. Staff explained that the concerns were not about meeting the standard but about the calibration and error inherent in the monitors and that initial side-by-side testing with SCAQMD’s dust monitors showed reasonable agreement.

Larry Smith asked if a small portion of a site was contaminated, would the entire site be required to comply with the Rule 1466. Staff responded that the rule only applies to soils with toxic air contaminants and that the other parts of the site would not be subject to the rule.

Larry Smith stressed that it should be made clear to contractors that Rule 1466 is not a “shut-down” rule. Staff concurred.

Bill LaMarr asked if clean-up action would be delayed while the Executive Officer makes a determination of rule applicability. Staff answered that the rule provisions only apply once the determination has been finalized and thus there would be no delay.

Bill LaMarr also asked if there were plans to amend Rule 403 – Fugitive Dust. Staff stated that there is a need to amend Rule 403 but given the challenges of the rule development schedule, an amendment to Rule 403 is not imminent.

## **CONSENSUS BUILDING**

There was no report.

Dr. Lyou commented that since this is currently not an active topic that we will remove it from future meeting agendas, but will include the topic when there are items to report on.

## **SUBCOMMITTEE STATUS REPORTS**

### ***A. Freight Sustainability (Dan McGivney)***

Dan McGivney provided updates on the following items.

- The San Pedro Bay Port Draft Clean Air Action Plan (CAAP) public review and comment period ends on September 18, 2017.
- CARB has initiated their indirect source rule efforts.
- I-710 EIR comment period was extended.

Curt Coleman commented that he attended the Marine Port Committee meeting on August 31, 2017 and thought the discussion and presentation on the CAAP was very interesting, specifically the District’s concerns on the lack of identified emission reductions before 2023 and the general interest in moving forward with the near zero-emission technology.

### ***B. Small Business Considerations (Bill LaMarr)***

Bill LaMarr reported that on September 27, 2017 there will be a walk-through demonstration of the online permit application process, with the leadership from the Korean Drycleaner and California Cleaner Associations.

### ***C. Environmental Justice (Curt Coleman)***

There was no report.

Dr. Lyou requested for future AB 617 updates to be incorporated into future Environmental Justice subcommittee status reports.

### ***D. Climate Change (David Rothbart)***

David Rothbart provided an update on California’s Cap-and-Trade Program.

Jaclyn Ferlita commented that it was interesting to see the increase in the auction activity and prices, since the passage of AB 398.

## **REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE**

Dr. Philip Fine provided a recap of the items on the September 15, 2017 meeting agenda.

- Item to address the need to enhance the monitoring and analysis equipment for the Science and Technology Division, for elevated levels of hexavalent chromium in Paramount and Compton.
- Home Rule Advisory Group new membership appointees.
- Updates on Proposed Amended Rules 415, 1148.3, 1168, 1180 and 1420.
- Update on the permit backlog.
- Quarterly report on the RECLAIM amendments.
- Update on Draft Assessment on tBac white paper.

### **Discussion**

Curt Coleman voiced concern about the pace of pushing the rules through Committee, without adequate time to review and provide comments. Staff responded that when we come to the Committee it can be to provide updates of where we are in the rulemaking process and to also consider the rescheduling of rules if needed, since the rule calendar is set at the beginning of the year.

Dan McGivney indicated his concern about the fast schedule for Rule 1180 and the socio-economic report has not come out yet. Staff replied that the socio-economic report will be provided at the 30-day point as required.

Bill LaMarr expressed concern about the rulemaking schedule and requested a status update on the Rule 1147 implementation guide, the use of portable analyzers and getting them accepted, and a list of acceptable low NOx burner manufacturers. Staff responded that we are working on these commitments and can provide updates.

### **Public Comment**

Rita Loof voiced concern about the rulemaking process, the status of the Rule 219 recordkeeping form that has not been provided, and the inconvenience of the October Board meeting at the Biltmore Hotel for Rule 1168. Dr. Lyou indicated that if the issues are resolved for Rule 1168, it could possibly be only a consent item for the Board meeting. Staff indicated that they would inquire about the status of the Rule 219 recordkeeping form.

## **OTHER BUSINESS**

TyRon Turner inquired about a community outreach update, since the last update was May 10, 2017. Bill LaMarr commented that the Local Government and Small Business Assistance Advisory Group (LGSBA) might be the appropriate Advisory Group for this type of update. Dr. Lyou requested that Legislative, Public Affairs and Media be advised of this request and have Mr. Turner added to their meeting distribution.

## **PUBLIC COMMENT**

There were no comments.

## **ADJOURNMENT**

The meeting was adjourned at 11:57 p.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on November 8, 2017, and will be held at SCAQMD in Conference Room CC-8.