

BOARD MEETING DATE: January 4, 2019

AGENDA NO. 20

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, December 14, 2018. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
2019 Legislative Goals and Objectives	APPROVE

RECOMMENDED ACTION:

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

Dr. Clarke E. Parker, Acting Chair
Legislative Committee

DJA:PFC:LTO:jns

Committee Members

Present: Dr. William A. Burke (videoconference)
Dr. Clark E. Parker, Sr. (videoconference)
Supervisor Janice Rutherford (videoconference)

Absent: Mayor Pro Tem Judith Mitchell/Chair
Council Member Joe Buscaino/Vice Chair
Supervisor V. Manuel Perez

Call to Order

Dr. Clarke E. Parker, Sr. was appointed to the committee as Chairman for this meeting. The meeting was called to order at 9:05 a.m.

DISCUSSION ITEMS:

1. Update on Federal Legislative Issues

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, federal legislative consultant, reported that the U.S. EPA announced the Clean Truck Initiative which would include a rulemaking for Ultra-Low NOx Emission Standards for Heavy-Duty Trucks and Engines. Mr. Hoitsma also stated that Congress may begin work on an infrastructure bill after the New Year.

Dr. Parker asked Mr. Hoitsma about the status of the proposed rule affecting Corporate Average Fuel Standards (CAFE) for passenger vehicles and light-duty trucks, as well as the California Waiver. Mr. Hoitsma indicated that the proposed rule to rollback CAFE standards and potentially revoke the California Waiver has been contentious and may come down to a negotiation between the President and the Governor elect of California.

Ms. Amelia Jenkins, a federal legislative consultant, reported that the new Democratic Majority of Congress has agreed to support Congresswoman Nancy Pelosi in her bid to become the Speaker of the House of Representatives. As part of the negotiations, Congresswoman Pelosi has agreed to a four-year term limit as Speaker. Ms. Jenkins also noted that the 116th Congress would begin on January 3, 2019, and the House is likely to begin the session with hearings related to climate change.

Mr. Mark Kadesh, a federal legislative consultant, reported that there are several new members of the California Congressional delegation with several in the South Coast region. He reported that they would be watching closely as committee assignments are made for the newly elected Members of Congress in preparation for SCAQMD's advocacy trip to Washington, D.C. in January.

Mr. Harvey Eder of the Public Solar Power Coalition made comments urging that solar tax credits be refundable for low income individuals.

2. Update on State Legislative Issues

SCAQMD's state legislative consultants (The Quintana Cruz Company, California Advisors, LLC and Joe A. Gonsalves & Son) provided written reports on various key issues in Sacramento.

Ms. Caity Maple, state legislative consultant, informed the Committee about recent key changes to public voting processes that have led to late changes in vote counts and election results in various races, including:

- 1) A law that allows ballots to be postmarked as late as election day;
- 2) A law that allows voters who forgot to sign their ballot, to come back within a certain time period to sign their ballot; and

- 3) A recently created “vote center model” utilized in various counties throughout California. Voters were mailed a ballot that can be placed in a dropbox, sent in by mail, or submitted at various vote centers over a ten-day period up until election day.

Mr. Will Gonzalez, state legislative consultant, reported on recent meetings in Sacramento regarding educating stakeholders about the proposed sales tax measure for air quality legislation sponsored by SCAQMD. The stakeholders included representatives from unions, the trucking and railroad industries, among others.

Mr. Paul Gonsalves, state legislative consultant, provided a fiscal update. He informed the Committee that the state Legislative Analyst’s Office reported that the state has a \$15 billion surplus in new revenue for 2019, with about \$14.5 billion in reserve. To provide context, the pool of bills thus far introduced for 2019 have a combined cost of over \$40 billion, with more legislation to come. Governor-elect Gavin Newsom met with legislative leadership and expressed that the legislative requests for funding will be limited and that the state will live within its means.

Mr. Harvey Eder of the Public Solar Power Coalition made comments regarding the poor financial state of investor owned utilities, indicating that they should no longer be used for providing energy, expressed concerns about climate change and encouraged the use of solar power.

ACTION ITEM:

3. Recommend 2019 Legislative Goals and Objectives

Mr. Philip Crabbe and Ms. Lisa Tanaka O’Malley, Public Affairs Managers of Legislative, Public Affairs and Media, presented the proposed SCAQMD 2019 state and federal legislative goals and objectives to the Committee for approval.

Mr. Crabbe informed the Committee that the 2019 state legislative goals and objectives are intended to protect public health and facilitate attainment of state and federal clean air standards within the South Coast, while working with and serving as a resource to state legislators; the Governor; federal, state, and local agencies; business, environmental and community groups; as well as other stakeholders.

Mr. Crabbe also indicated that the goal to seek new and increase existing funding sources for clean air programs that support the 2016 AQMP, especially through incentive funding, is very much in line with SCAQMD’s proposed legislation to obtain authorization for a sales tax ballot measure within the South Coast that funds implementation of the AQMP, helps solve the air pollution problem in the South Coast, allows for attainment of federal standards, and protects public health.

Ms. Tanaka O'Malley informed the Committee that the proposed 2019 federal legislative goals and objectives were drafted in a manner consistent with the major themes of the state legislative goals. She stated that some of the key proposed federal policy priorities will include: 1) federal rulemaking for the ultra-low NOx standard for heavy-duty trucks and engines; 2) Corporate Average Fuel Economy (CAFE) standards; 3) the California Waiver issue; and 4) transparency in regulatory science. Additionally, Ms. Tanaka O'Malley indicated that obtaining federal funding to support the SCAQMD is also a top priority, including funding relating to the Diesel Emissions Reduction Act (DERA), Targeted Airshed Grants, and Clean Air Act Section 103/105. Finally, infrastructure development was emphasized as a key priority, which may also include climate change efforts and possibly funding in 2019.

Ms. Tanaka O'Malley also reviewed edits to the Federal Goals and Objectives for the Committee's consideration:

- On page 2, under Technology Advancement, add the word "policies" to the first sentence and remove a misplaced "and";
- On page 2, under Technology Advancement, remove "and eliminate the use of technologies generating NOx and particulate matter emissions" from the last two bullet points to be consistent with SCAQMD's technology neutral platform; and,
- Strike the last item "New Source Review Offsets" from the Goals and Objectives. Staff recommends removing this item. If there are any Administrative or Legislative actions on the federal level, staff will bring the issues back to the Legislative Committee for discussion and direction.

Mr. Harvey Eder of the Public Solar Power Coalition made comments encouraging the use of solar power, including equity for low income people.

Staff recommended a position of APPROVE on this item.

Moved by Burke; seconded by Rutherford; unanimously approved

Ayes: Burke, Parker, Rutherford

Noes: None

Abstain: None

Absent: Buscaino, Mitchell, Perez

WRITTEN REPORT:

4. Report from SCAQMD Home Rule Advisory Group

Please refer to Attachment 5 for the written report.

OTHER MATTERS:

5. Other Business

There was no other business.

6. Public Comment Period

There were no public comments.

7. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, January 11, 2019 at 9:00 a.m.

Adjournment

The meeting adjourned at 9:40 a.m.

Attachments

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports
4. Draft 2019 State and Federal Legislative Goals and Objectives
5. Report from the SCAQMD Home Rule Advisory Group

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING ATTENDANCE RECORD – December 14, 2018

Dr. William A. Burke (videoconference).....	SCAQMD Board Member
Dr. Clark E. Parker, Sr. (videoconference).....	SCAQMD Board Member
Supervisor Janice Rutherford (videoconference).....	SCAQMD Board Member
Mark Abramowitz.....	Board Consultant (Lyou)
Guillermo Gonzalez.....	Board Consultant (V. Manuel Perez)
Ron Ketcham.....	Board Consultant (McCallon)
Andrew Silva.....	Board Consultant (Rutherford)
Mark Taylor.....	Board Consultant (Rutherford)
Gary Hoitsma (teleconference).....	Carmen Group, Inc.
Amelia Jenkins (teleconference).....	Cassidy & Associates
Mark Kadesh (teleconference).....	Kadesh & Associates
Caity Maple (teleconference).....	The Quintana Cruz Company
Will Gonzalez (teleconference).....	California Advisors, LLC
Paul Gonsalves (teleconference).....	Joe A. Gonsalves & Son
Harvey Eder.....	Public Solar Power Coalition
Bill LaMarr.....	California Small Business Alliance
Rita Loof.....	RadTech
David Rothbart.....	Los Angeles County Sanitation Districts
Tammy Yamasaki.....	Southern California Edison
Derrick Alatorre.....	SCAQMD Staff
Leeor Alpern.....	SCAQMD Staff
Philip Crabbe.....	SCAQMD Staff
Stacy Garcia.....	SCAQMD Staff
Bayron Gilchrist.....	SCAQMD Staff
Monika Kim.....	SCAQMD Staff
Megan Lorenz.....	SCAQMD Staff
Matt Miyasato.....	SCAQMD Staff
Ron Moskowitz.....	SCAQMD Staff
Wayne Nastri.....	SCAQMD Staff
Robert Paud.....	SCAQMD Staff
Sarah Rees.....	SCAQMD Staff
Mary Reichert.....	SCAQMD Staff
Jeanette Short.....	SCAQMD Staff
Lisa Tanaka O'Malley.....	SCAQMD Staff
Fabian Wesson.....	SCAQMD Staff
Todd Warden.....	SCAQMD Staff
Kim White.....	SCAQMD Staff
Jill Whynot.....	SCAQMD Staff



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

ATTACHMENT 2

MEMORANDUM

To: South Coast AQMD Legislative Committee

From: Carmen Group

Date: November 29, 2018

Re: Federal Update -- Executive Branch

EPA Announces Start of Rulemaking Process on Heavy Truck Emissions: On November 13, Environmental Protection Agency Acting Administrator Andrew Wheeler announced the beginning of a formal rulemaking process to adopt a new nationwide ultra-low NOx emission standard for heavy duty trucks, naming it the Cleaner Truck Initiative (CTI). The announcement marked a major milestone for SCAQMD, which in December 2016 led a broad coalition of local and state agencies and others in formally petitioning the EPA to take this step in pursuit of a future rulemaking that will significantly tighten the existing NOx standard which was last set in 2001. For an administration that has sought to avoid new stricter environmental regulations in many areas, this was a major step. And it was made possible in no small part by the coalition of industry support that SCAQMD played a key role in assembling – support that was vital to bringing the White House political team on board. Attending the announcement at EPA headquarters in Washington, DC was SCAQMD’s Executive Officer along an array of federal and state officials and leaders from the trucking and engine manufacturing industry, many of whom had been recruited by SCAQMD to work on the issue over the last two years and more. These included representatives from such business entities and trade associations as the American Trucking Associations (ATA), the Owner-Operator Independent Drivers Association (OIDA), the Truck and Engine Manufacturers Association (EMA), the National Association of Manufacturers (NAM), the Manufacturers of Emission Controls Association (MECA), the Diesel Technology Forum, Cummins, Daimler, Navistar, PACCAR, and many others. The announcement event included a roundtable discussion at which these and other representatives were given an opportunity weigh in with the EPA leadership on the importance of this overall effort. Many emphasized the importance they saw in setting one national standard. For his part, Acting EPA Administrator Wheeler said the initiative “makes clear that reducing NOx emissions is a clean air priority for this administration ... (and) an important signal to all interested stakeholders that we will work hard on reducing emissions while producing a more effective and efficient program.” He also made clear in response to a pointed question that the rule would have an actual tightening of the current standard, while also including a streamlining of compliance and certification requirements. The agency further said that areas of deregulatory focus in the initiative would include “onboard diagnostic requirements, cost effective means of reassuring real-world compliance by using modern and advanced technologies, the deterioration factor testing process, and concerns regarding annual recertification of engine families.” The EPA

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intends to publish a proposed rule in early 2020 and a final rule later that year.

Midterm Elections Set Stage for New Push on Infrastructure: In the recent midterms elections, Republicans won 2 seats in the Senate increasing their majority to 53-47. At the same time, Democrats won 40 seats in the House, taking over majority control by a margin of 235-200. When the new Congress convenes in January, there will likely be a short window of opportunity (maybe three to six months at best) during which the political and legislative waters will be tested to determine if any significant policy or program initiatives might have a chance to win legislative success before the overt partisanship of the presidential election cycle tends to freeze on most big things. At the top of everyone's wish list on both sides at this time is the subject of infrastructure, something which the President along with Republicans and Democrats say they want, but which no one so far can figure out exactly how to do. Across a divided Congress and down to the White House, it is expected that new and old ideas and proposals on infrastructure will be floated, each requiring serious compromise if there is to be chance of success. While it will be a classic Washington game of "Deal or No Deal," it will also be a unique opportunity for interested parties like SCAQMD and their supporters to be prepared to help members and the administration to find the right path forward on issues of most importance to them.

EPA Announces Funding Availability for Environmental Justice Small Grants: EPA has announced the availability of \$1.5 million for Environmental Justice Small grants (EJSG). These funds will be distributed to approximately 50-community-based organizations nationwide that will work to address environmental justice issues in local communities. According to the EPA, each recipient will receive up to \$30,000 for one-year, community-driven projects that engage, educate, and empower communities to better understand local environmental and public health issues and to identify ways to address these issues at the local level.

EPA Cracks Down on Emissions Control "Defeat Devices": In November, the EPA announced settlements with three Southern California automotive parts manufacturers for violations of the Clean Air Act. The companies sold or distributes aftermarket auto parts known as defeat devices which bypass or ender in operative required emissions control systems. The three firms will pay a total of \$322,000 in penalties.

Trump Gives Wheeler the Nod: Shortly after the midterm elections, President Trump formally announced that he will nominate Andrew Wheeler to be EPA Administrator, saying Wheeler had done a "great job" serving in an "Acting" capacity since July. Wheeler will face a Senate confirmation hearing and vote after the next Congress convenes in the New Year.

Subcabinet Appointment: Neil Chatterjee of Kentucky has been named to be **Chair** of the **Federal Energy Regulatory Commission**. Chatterjee is currently a member of the commission and was formerly senior policy advisor to Senate Majority Leader Mitch McConnell.

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To: South Coast Air Quality Management District

From: Cassidy & Associates

Date: December 4, 2018

Re: Federal Update

Issues of Interest to SCAQMD

House Elects New Democratic Leadership

Throughout the week of November 27th, the incoming House Democratic Caucus elected new Leadership. Below is a summary of the Caucus elections. House Democrats nominated Minority Leader Nancy Pelosi to serve as the next speaker of the House. If approved by the full House, Pelosi would again wield the gavel in January. The vote was 203 voting for Pelosi, 32 opposing her and three members leaving their ballot blank.

Representative Steny Hoyer from Maryland ran unopposed for House majority leader. He has long been the number two House Democrat for years. He currently serves as the House minority whip and is a former majority leader.

Jim Clyburn of South Carolina was elected majority whip after the Democratic Caucus unanimously selected him by acclamation. This vote returns Clyburn to the third-highest post in the House. Clyburn has been a representative in the House since 1992 and was serving as Assistant Democratic Leader.

Ben Ray Lujan of New Mexico ran unopposed as the assistant Democratic leader after Cheri Bustos and David Cicilline dropped their bids after Lujan declared his candidacy. Lujan was the Democratic Congressional Campaign Committee Chairman during the midterm elections which saw the Democrats take back control of the House for the first time in 8 years.

Diana DeGette of Colorado retained her position as Chief Deputy Whip. She initially announced a bid to be majority whip but withdrew after further consideration and some criticism from other Democratic members. She has already served 7 terms as the Chief Deputy Whip.

Hakeem Jeffries narrowly defeated Barbara Lee in the race for Democratic Caucus Chair after a vote of 123 to 113. Lee is a former chair of the Congressional Black Caucus and the Congressional Progressive Caucus, while Jeffries is considered a rising star among House Democrats. Jeffries was a co-chair of the House Democratic Policy and Communication Committee.

Massachusetts representative Katherine Clark was elected House Democratic Caucus vice-chair after defeating Pete Aguilar 144 to 90. Clark worked with the DCCC on candidate recruitment in 2018 while Aguilar is best known for co-writing a bipartisan immigration reform bill to fix DACA. Clark's win gives a better sense of the ideological direction of party leadership given that Aguilar is a member of the moderate New Democrat Coalition while Clark is a member of the Congressional Progressive Caucus.

Jamie Raskin of Maryland defeated Terri Sewell of Alabama with a vote of 65-57 for Democratic Caucus Leadership Representative. The position was only created two years ago to give junior members of the Democratic Caucus a greater voice in party leadership. For Raskin, this marks another step up the House leadership ladder after he was elected to the Democratic Steering and Policy Committee as a freshman.

In the race for Democratic Congressional Campaign Committee chair, Cheri Bustos beat out Denny Heck and Suzan DelBene with 117 votes going to Bustos, 83 for Heck, and 32 for DelBene. Heck and DelBene already had DCCC experience, but Bustos was able to convince her colleagues that she should lead to help Democratic candidates in the Midwest in 2020.

David Cicilline was elected by acclamation for the newly created top position at the Democratic Policy and Communication Committee. Representatives Ted Lieu of California, Debbie Dingell of Michigan, and Matt Cartwright of Pennsylvania were elected as the three co-chairs. The three other candidates who ran for the position but fell short are Chrissy Houlahan, Adriano Espaillat and John Garamendi. The DPCC serves as the messaging arm of the Democratic Party.

Senate Committee Shuffle

Senator Bill Nelson (D-FL) conceded defeat to Rick Scott (R-FL) which opens his spot as Ranking Member of the Senate Commerce Committee. It is anticipated that Maria Cantwell (D-WA) will move from the Senate Energy and Natural Resource Committee Ranking Member position to the Senate Commerce Committee Ranking Member position. This leaves the Energy and Natural Resources Ranking Member slot open. Senator Joe Manchin (D-WV) is the heir apparent to this position and has expressed interest in assuming it.

Senator Chuck Grassley (R-IA) has expressed his desired to take the helm of the Senate Finance Committee, which directs tax policy, in the next Congress as the current Chairman Orrin Hatch (R-UT) is retiring.

The current Chairman and Ranking Member of the Environment and Public Works Committee, Sen. John Barrasso (R-WY) and Tom Carper (D-DE) respectively, are expected to remain the same.

Electric and Zero Emission Vehicle Deployment

Senators Whitehouse and Merkley introduced legislation on November 28 which would put the United States on a path for achieving 100% zero-emissions vehicle in coming decade, by setting a comprehensive federal zero emission vehicle standard, requiring that of all new car sales in America, at least 50% be zero-emission vehicles by 2030 and ultimately, 100% by 2040. The press release for the legislation specifically notes their intent to build up on the movements of states like California which have enacted state-level zero emission vehicle standards. Much like renewable energy standards, these

ZEV standards require a certain percentage of new vehicles sold in the state to be vehicles that emit no carbon pollution, such as fully battery-powered electric or hydrogen fuel cell vehicles.

Year-End Funding

The current Continuing Resolution funding agreements for Interior-EPA and several other Appropriations segments had been set to expire on December 7th. On December 4, House and Senate leaders released a short-term extension of this funding through December 21st. Funding for the EPA will be part of this package of bills. It is anticipated that lawmakers will reach a final deal to see the remaining spending bills through the end of FY19 before the December deadline.

Hearings in the House of Representatives & 116th Congress

The incoming Democratic Chairmen of the House Energy and Commerce, Natural Resources, and Science, Space & Technology Committees released a joint statement in mid-November stating their intentions to hold a series of hearings over a two-day period early next year to assess the effects of climate change and the need for action. These hearings could provide a useful opportunity to highlight short and medium-term efforts that can reduce air pollution which align with South Coast priorities.

Review of November Meetings

SCAQMD met with the Council on Environmental Quality, senior staff for Senator Cardin (D-MD) who serves on the Senate Environment and Public Works Committee, and the American Lung Association during the November trip to Washington, DC. The CEQ meeting focused on the NOx rule announcement and air quality issues related to the California wildfires. SCAQMD also continued to advocate for the California waiver. The meeting with Senator Cardin's staff focused on opportunities to partner with ports on emissions reduction programs in any upcoming infrastructure legislation. The Port of Baltimore is a huge issue in the Senator's home state. The conversation with American Lung Association centered on how to move forward given EPA's action on the ultra-low NOx rulemaking.

SCAQMD
Report for December 2018 Legislative Meeting covering November 2018

Kadesh & Associates

Major action in November-

After considerable effort, led by SCAQMD Executive Director Wayne Nastri, the Trump Administration's EPA on November 13 initiated a rule-making for Ultra Low NOx Standards for Heavy Duty Trucks.

Midterm Elections-

The November elections ushered in a 40-seat pickup for House Democrats which is more than enough to secure the majority in the next session of Congress. Representative Nancy Pelosi appears to be on her way to serve as Speaker for a second time although a formal floor vote will not occur until January 3, 2019. It also appears that several Members of the California delegation will assume full committee and subcommittee posts in addition to what spots the seven new members of the California delegation will be assigned. Those changes will not be formalized until January. Five of the seven new Democratic Members have all or part of their Congressional districts within SCAQMD's area of responsibility.

Congressional Agenda in the Lame Duck Session-

Following the elections, Congress returned to Washington for a lame duck session to pass the remaining FY19 appropriations bills and avert a government shutdown. The remaining appropriations bills are: Agriculture, Commerce, Justice & Science, Financial Services, Homeland Security, Interior, Foreign Operations, and Transportation/Housing (THUD). While each of the bills has its own issues that staff are working to resolve, funding for the border wall is emerging as the single largest sticking point. The FY19 budget request sought \$1.6 billion for new fencing in the Rio Grande Valley. The Senate Department of Homeland Security bill provides that amount. The President, however, is insisting on \$5 billion as a down payment for new construction and is threatening a government shutdown over this issue. The current Continuing Resolution expires on December 7 and another week-long bill is in the works, but negotiations over this funding could come to a head sooner rather than later. This is an ongoing issue and we will keep staff apprised of new developments.

Excerpts from media coverage of the Ultra Low NOx announcement:

Trump EPA weighs new limits on truck pollution

By Timothy Cama - 11/13/18 03:00 PM EST 11 "The Hill"

The Environmental Protection Agency (EPA) kicked off its "Cleaner Trucks Initiative" Tuesday, under which officials will consider changes to the standard for nitrogen oxide (NOx) emissions from heavy-duty trucks. NOx emissions in the United States have dropped 52 percent since 2000, which was the last time the EPA updated the standard. But growing big truck traffic is forecast to be responsible for about a third of NOx from the transportation sector in 2025. Bill Wehrum, head of the EPA's air office, said that since the 2000 rule, some big factors have changed, including new technology that can help truck engines get cleaner and a realization that pollution testing procedures aren't the best way to measure emissions. ***A group of local and state air quality agencies, led by California's South Coast Air Quality Management District, had petitioned the EPA in 2016, under the Obama administration, to reduce the allowable NOx emissions from trucks. They wanted the standard to go from 0.2 grams per brake horsepower-hour (g/bhphr) to 0.02 g/bhp-hr.***

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*EPA Targets Trucking Industry for New Air Pollution Rules
Push is rare move for administration focused on deregulation*
“Wall Street Journal”

By Timothy Puko and Erica E. Phillips - Updated Nov. 13, 2018 3:10 p.m. ET

WASHINGTON—The Trump administration is pushing for new limits on pollution from commercial trucks, a rare move toward stricter air-quality rules for an administration that has prioritized deregulation. Leaders at the Environmental Protection Agency say pollution rules for commercial trucks are due for an update after going largely untouched for nearly 20 years.

The EPA’s last round of nitrogen-oxide rules for commercial trucks were developed in 2000, and it took about a decade for those rules to be fully implemented. “It’s definitely about time,” said Bill Wehrum, assistant administrator of the EPA’s Office of Air and Radiation. “The world has changed in a lot of ways over those 20 years. One thing we know is that these vehicles can be made cleaner, lower emitting.”

“I’m not sure, if California weren’t insisting on lowering NOx for new trucks, that the EPA would be doing what they’re doing today,” said Mike Roeth, executive director of the North American Council for Freight Efficiency.

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Trump's EPA Is Said to Propose Tougher Big-Rig Pollution Rules

By Ryan Beene | November 12, 2018 12:29PM ET

“Bloomberg Government – BGOV”

The U.S. Environmental Protection Agency plans to propose new rules to slash pollution emissions from heavy-duty trucks and engines, a person familiar with the matter said. ***The South Coast Air Quality Management District, which covers the Los Angeles area, asked EPA to issue rules reducing allowable NOx emissions by 90 percent from current levels. In granting the petition, EPA said it could not commit to a specific level but agreed to begin preparing a notice of proposed rule-making, which it estimated would take about two years.***

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“E&E News”

“EPA to toughen truck standards”

Maxine Joselow and Sean Reilly, E&E News reporters -- Monday, November 12, 2018

EPA plans to announce tighter tailpipe pollution standards for heavy-duty trucks tomorrow, according to three people with knowledge of the matter. The announcement will preview a future rulemaking to update heavy-duty truck standards for nitrogen oxides (NOx), those sources told E&E News. ***The ringleader of the petition was the South Coast Air Quality Management District, which has jurisdiction over California's South Coast Air Basin.***

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ATTACHMENT 3



November 30, 2018

TO: South Coast Air Quality Management District
FROM: The Quintana Cruz Company
RE: November 2018 Report

GENERAL UPDATE:

- The Legislature is out of session until December 3rd
- December 3rd is member swearing in ceremony
- January 7th the legislature reconvenes from Winter recess

POLITICAL ITEMS OF NOTE:

- Democrats have had sweeping victories in the state Legislature
- There is now a Democratic supermajority in both houses (60 Dems in the Assembly, 29 in the Senate)
- Most recently, Umberg beat out Nguyen in Senate District 34
- There will be many Republican staff without jobs, and a shortage of experienced Democratic staff to fill new member offices
- New Insurance Commissioner Ricardo Lara's former Chief of Staff Erika Contreras has just been hired on as the new Secretary of the Senate
- Ann O'Leary was chosen as Gavin Newsom's Chief of Staff
- Jason Kinney will lead the transition team

LEGISLATIVE ITEMS OF NOTE:

- Members can begin introducing new legislation on December 3rd
- January 25th is deadline to submit bill requests to Legislative Counsel



SCAQMD Report
California Advisors, LLC
December 14, 2018 Legislative Committee Hearing

General Update

While the congressional races garnered significant national attention, there were many important and impactful state and local races in California. The biggest takeaway for California is that the widely speculated 'blue wave' did, in fact, materialize and lifted many Democrats into previously Republican seats.

Statewide, all elected positions were won by Democrats. These positions include Governor, Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General, Insurance Commissioner, and Superintendent of Public Instruction. Of note, the new Insurance Commissioner is Ricardo Lara, whose vacant seat will now need to be filled in a special election. Lara has been a critical champion for us during his time in office. There are only rumors as to possible replacement candidates at this time.

In the Senate, Democrats hoped to win back one senate seat in order to regain their recently held 2/3 supermajority. They vastly exceeded their own expectations as they were able to flip three seats, one from a termed-out Republican and two others by knocking two sitting senators out of office. Two of these seats are in the Central Valley and the other is in Orange County, both regions that have traditionally leaned Republican. The final Senate breakdown for 2019-20 will likely be 29 Democrats and 11 Republicans, pending both the special election to replace Democrat Ricardo Lara, who won his bid for Insurance Commissioner, and a race that was too close to call but likely to flip democratic.

In the Assembly, Democrats looked to defend their 2/3 supermajority. In the end, not only did the Democrats defend their supermajority, they flipped five additional Republican districts, with one race still too close to call but trending toward the Democratic candidate. This brings dramatic changes to the Assembly, as the Bay Area will no longer have a single Republican representative and areas like Orange County and Los Angeles County will be almost entirely blue. The makeup of the Assembly chamber in 2019-20 will be 60 or 61 Democrats and 19 or 20 Republicans.

Finally, there were a number of major initiatives on the ballot in 2018, some garnering record numbers of millions of dollars in campaign spending. The most high-profile measure was Proposition 6, which would have repealed the new transportation funding taxes enacted by the Legislature through SB 1 (Beall, 2017). The passage of SB 1 cost Senator Josh Newman, a Democrat from Orange County, his seat in a special election recall,

also ending the Senate's Democratic supermajority. Because of this, many people thought there was a possibility that Proposition 6 could pass, which would have thrown local government budgets into disarray across the state. However, with strong opposition from Democrats, business groups, and labor from across the state, the measure was defeated, 56.8% to 43.2%. That said, without missing a beat, proponents of the repeal have already indicated that they will be placing a new ballot measure on the ballot for 2020, with signature gatherers back to work trying to qualify the measure for the next election.

There are many new, and some familiar, faces coming to Sacramento for the 2019-20 legislative session. Legislators are sworn in on December 3, 2018 and can begin introducing new legislation. However, the new session does not officially begin until January 7, 2019, which is also the day Gavin Newsom will be sworn in as the state's next Governor. With this being the first Democrat-to-Democrat handoff for Governor in nearly 150 years, everyone is watching the transition closely to see who the new Governor's advisors will be on key environmental issues and who is named to lead various agencies and offices.

Notable Races

In SCAQMD territory, most of the state Senate and Assembly races were either won by the incumbents or the district did not flip to the other party. There were, however, a few notable exceptions:

Assembly District 38 – Incumbent Republican Dante Acosta (R) was defeated by Democrat Christy Smith by a margin of 51.5% to 48.5%. The district encompasses the mountainous inner northern suburbs of Los Angeles. It consists of the Santa Clarita Valley and Simi Valley, along with parts of Soledad Canyon and the San Fernando Valley.

Assembly District 74 – Incumbent Republican Matthew Harper was defeated by Democrat Cottie Petrie-Norris by a margin of 52.6% to 47.4%. The district encompasses coastal central Orange County.

Senate District 34 – Incumbent Republican Janet Nguyen was defeated by Democrat Tom Umberg by a margin of 50.6% to 49.4%. The district encompasses various parts of Los Angeles County and Orange County, including the county seat of Santa Ana, Little Saigon, and beachfront communities.

2018 Legislative Priorities

Sales Tax Ballot Initiative Authorization

We have begun the work of identifying an author and educating stakeholders regarding legislation in 2019 that will authorize a sales tax initiative to be placed on the ballot that will fund the AQMP. Thus far California Advisors has facilitated three days of meetings with key Capitol staff as well as multiple interest groups and public organizations that could

potentially be supportive of our efforts. Meetings have been positive, with great feedback and suggestions coming from multiple sources.

SB 210 (Leyva) Heavy-duty Vehicle Inspection and Maintenance Program

This bill would authorize the state board to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for non-gasoline heavy-duty on-road motor vehicles.

Status: 11/19/18: The California Air Resources Board held a briefing for stakeholders.



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

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TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – November 2018

DATE: Friday, November 30, 2018

The month of November has been very exciting around the State Capitol. The November 8 elections have made serious changes to the California Legislature. The Legislature once again has a supermajority in both houses; The Assembly has 60 Democrats and 20 Republicans and the Senate has 29 Democrats and 11 Republicans. Additionally, Gavin Newsome was elected as the State's next Governor.

The Legislature will convene an organizational, ceremonial swearing-in sessions at Noon on Monday, December 3rd, 2018 to kick-off the 2019-2020 legislative session. January 7, 2019 marks the first day of session for the 2019-2020 legislative session.

ELECTION RESULTS

While there are still some races that could change, it appears the legislature will enter the 2019-2020 session with the largest number of Democratic legislators in recent history, if not ever. Entering the November 6th, 2018 Elections, the 80-member Assembly was comprised of 55 Democrats and 25 Republicans and the 40-member Senate had 26 Democrats and 14 Republicans. As the provisional and absentee ballots continue to be tallied, it appears the Legislature in on December 3 will consist of at least 60 Democrats in the Assembly and 29 in the Senate (please note the 2/3 vote threshold in the Assembly is 54 and 27 in the Senate).

While the super-majority of the Democrats in the Legislature is more solid following the election, it remains to be seen whether the election results will translate into a drastic remake of the political landscape in Sacramento.

While Democrats have enjoyed supermajorities on paper, they have often struggled to get the votes necessary to pass 2/3 vote bills. Given the fact that several of the incoming members narrowly defeated their Republican opponents, they may be hesitant to vote for tax increases and against the business community.

As recently stated by Governor Brown: "I think the chances of getting the Legislature to vote by two-thirds on new taxes are very, very limited and unlikely," Brown continued. "The fact is it's a simple formula: The more Democrats win legislative seats, the more conservative are the ones who win. The caucus takes into itself more conservative-thinking people."

The following will provide you with a list of the Newly Elected Legislator's within the South Coast Region:

Assembly:

- 38th AD: Christy Smith (D) defeated incumbent Dante Acosta (R)
- 40th AD: James Ramos (D) won a historically Republican seat
- 72nd AD: Tyler Diep (R)
- 74th AD: Cottie Petrie-Norris (D) defeated incumbent Mathew Harper (R)

Senate:

- 22nd SD: Susan Rubio (D)
- 24th SD: Maria Elena Durazo (D)
- 32nd SD: Bob Archuleta (D)
- 34th SD: Tom Umberg (D) defeated incumbent Janet Nguyen (R)

2019 LEGISLATIVE CALENDAR

- Jan. 1 Statutes take effect
- Jan. 7 Legislature reconvenes
- Jan. 10 Budget must be submitted by Governor
- Jan. 21 Martin Luther King, Jr. Day.
- Jan. 25 Last day to submit bill requests to the Office of Legislative Counsel.
- Feb. 22 Last day for bills to be introduced
- Apr. 11 Spring Recess begins upon adjournment
- Apr. 22 Legislature reconvenes from Spring Recess
- Apr. 26 Last day for policy committees to meet and report to fiscal committees fiscal bills introduced in their house
- May 3 Last day for policy committees to meet and report to the floor non-fiscal bills introduced in their house
- May 10 Last day for policy committees to meet prior to June 3
- May 17 Last day for fiscal committees to meet and report to the floor bills introduced in their house. Last day for fiscal committees to meet prior to June 3

- May 28-31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees
- May 31 Last day for each house to pass bills introduced in that house
- June 3 Committee meetings may resume
- June 15 Budget Bill must be passed by midnight
- July 10 Last day for policy committees to hear and report fiscal bills to fiscal committees
- July 12 Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment
- Aug. 12 Legislature reconvenes from Summer Recess
- Aug. 30 Last day for fiscal committees to meet and report bills
- Sept. 3-13 Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees
- Sept. 6 Last day to amend bills on the floor
- Sept. 13 Last day for any bill to be passed. Interim Recess begins upon adjournment

ATTACHMENT 4



South Coast Air Quality Management District

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DRAFT

SCAQMD's State Legislative Goals & Objectives for 2019

The following goals and objectives are identified to protect public health and facilitate attainment of state and federal 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, eliminate unhealthy air pollution 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 stakeholders, including 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 within the South Coast region by providing ample funding and legislative and administrative support to SCAQMD to facilitate implementation of the 2016 AQMP and attainment of federal ozone and particulate matter ambient air quality standards by upcoming federal deadlines.

Environmental Justice

Support legislative policies and funding that: 1) promote and sustain environmental justice initiatives which reduce localized health risks resulting from criteria pollutant and toxic air contaminant emissions; 2) develop and expand access to clean air technology, especially in disproportionately impacted communities; 3) enhance community participation in decision-making; and 4) provide the resources necessary to fully implement local air districts' responsibilities and programs created through Assembly Bill 617 (C. Garcia, Chapter 136, Statutes of 2017).

Development and Deployment of Clean Technology

Support legislative policies and funding that promote the development and deployment of near-zero and zero emission infrastructure, equipment and vehicle technology to protect public health, facilitate attainment of clean air standards and support a healthy economy.

Climate Change

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

SCAQMD's State Legislative Goals & Objectives for 2019

Clean Energy

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

Business/Jobs Climate

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

Surface Transportation & Goods Movement

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



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Revised DRAFT

SCAQMD's Federal Legislative Goals & Objectives for 2019

The following goals and objectives are identified to enable SCAQMD to seek rules, legislative policies, and funding levels from the federal government that will assist the South Coast Air Basin in meeting the National Ambient Air Quality Standards (NAAQS) to protect public health through practical and innovative strategies.

Air Quality Funding

- Seek adequate funding levels for air quality issues through existing and new opportunities to enable the South Coast Air Basin to reach attainment of NAAQS. Support key programs such as, but not limited to, the Diesel Emissions Reduction Act, Targeted Airshed Grants, Subvention Funds from Clean Air Act Section 103/105, Energy Efficiency & Renewable Energy grants, and other programs.

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

Support policies, legislation and/or administrative efforts to:

- 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; and,
- Providing 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.
- Promulgating rules through a transparent process with equitable stakeholder participation to reduce air pollution and preserve local regulatory authority including, but not limited to, the Ultra-Low NOx Emission Standard for Heavy Duty Trucks known as the Cleaner Trucks Initiative, fuel efficiency standards for passenger vehicles and light duty trucks, and transparency in regulatory science.

Climate Change

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

Surface Transportation & Goods Movement

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

Marine Vessels

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

SCAQMD's Federal Legislative Goals & Objectives for 2019

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.

Technology Advancement

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

- Zero and near-zero emission technologies;
- 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~~
- Reauthorizing DERA with an emphasis to assist extreme non-attainment areas;
- 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, 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.~~

Business/Jobs

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

~~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.~~

ATTACHMENT 5



South Coast Air Quality Management District

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HOME RULE ADVISORY GROUP

Wednesday, September 12, 2018

MEETING MINUTES

CHAIR: Dr. Joseph Lyou, SCAQMD Governing Board Member

MEMBERS PRESENT:

Mike Carroll (Regulatory Flexibility Group); Curt Coleman (Southern California Air Quality Alliance); Jaclyn Ferlita (Air Quality Consultants); Nan Harrold (Orange County Waste & Recycling); Bill LaMarr (California Small Business Alliance); Bridget McCann (Western States Petroleum Association); Art Montez (AMA International); David Rothbart (Los Angeles County Sanitation District); and TyRon Turner (Dakota Communications).

The following members participated by conference call: Rongsheng Luo (SCAG); and Bill Quinn (California Council for Environmental & Economic Balance);

MEMBERS ABSENT:

Ben Benoit (SCAQMD Governing Board Member); Michael Downs (Downs Energy); Dan McGivney (Southern California Gas); Dr. Clark Parker (SCAQMD Governing Board Member); Larry Rubio (Riverside Transit Agency); Larry Smith (Cal Portland Cement); Kristen Torres Pawling (County of Los Angeles, Chief Sustainability Office); and Amy Zimpfer (EPA).

OTHER ATTENDEES:

Mark Abramowitz (Board Consultant to Dr. Lyou); Brian Clerico (CARB); Priscilla Hamilton (Southern California Gas); Rita Loof (RadTech); Susan Stark (Andeavor); and John Ungvarsky (EPA).

SCAQMD STAFF:

Jill Whynot	Chief Operating Officer
Barbara Baird	Chief Deputy Council
William Wong	Principal Deputy District Counsel
Sarah Rees	Assistant Deputy Executive Officer
Philip Crabbe	Community Relations Manager
Ian MacMillian	Planning & Rules Manager
Pedro Piqueras	Air Quality Specialist
Cristina Lopez	Senior Administrative Secretary

OPENING COMMENTS AND SELF-INTRODUCTIONS

The meeting was called to order at 10:03 a.m. by Dr. Joseph Lyou (Chairman).

APPROVAL OF JULY 2018 MEETING MINUTES

Dr. Lyou asked for comments on the July 11, 2018 meeting minutes. Bridget McCann requested the addition of language on page six to reflect her comment that it is difficult to locate the

subscription pages on the AQMD website and staff committed to provide a follow-up. With the language added, the minutes were approved.

Action Item: Dr. Lyou requested for the membership to be provided with the link to the subscription page from the SCAQMD website. The following link was provided: <http://www.aqmd.gov/sign-up>

EPA AND FEDERAL ACTIVITIES

John Ungvarsky provided an update on recent U.S. Environmental Protection Agency (EPA) and federal activities.

SCAQMD Related Actions

- Proposed Safer Affordable Fuel Efficient (SAFE) vehicles rule.
- EPA continues to work closely with CARB and SCAQMD on the 2016 AQMP.
- Working with SCAQMD on MOU's for the ports.
- The 2018 Targeted Airshed Grant RFP will be announced soon and it is anticipated that \$40M will be awarded in grant funding nationally.
- The Tribal DERA grant RFP opened on June 5, 2018 and will now close in April 2019.

National Update

- EPA's Lean Management System (ELAM) effort continues to be implemented.
- Proposed implementation rule related to the 2015 Ozone Standard.

Discussion

Dr. Lyou inquired about a possible SAFE hearing in Los Angeles area. Mr. Ungvarsky indicated that at this time the only California hearing will be in Fresno. Barbara Baird indicated that a hearing in Los Angeles has been requested.

Bill Quinn inquired about an update on EPA's proposal to rollback Obama-Era methane regulations. Mr. Ungvarsky indicated that he did not have any updates, but he would look into this and follow-up with a link to this information. The following link was provided: <https://www.epa.gov/controlling-air-pollution-oil-and-natural-gas-industry/proposed-improvements-2016-new-source>

Dr. Lyou inquired with staff on EPA's SAFE proposed rule, and if it is adopted as proposed, would it affect SCAQMD attainment plans. Barbara Baird indicated that staff was going to look to see if these rules were included in our SIP demonstration.

CARB REGULATORY ACTIVITIES

Brian Clerico provided updates on items scheduled to go to CARB's Board in September 2018 and recent regulatory activities.

- Global Climate Action Summit, September 12 – 14, 2018 in San Francisco.
- Governor Brown recently signed SB 100 - California Renewables Portfolio Standard Program: emissions of greenhouse gases, which commits California to 100% renewable zero emission electricity and carbon sources by 2045.
- There are currently no updates for CARB's tentative calendar for control measures and selected items.
- On September 21, 2018, at SCAQMD, there is a public workshop for a proposed amendment to the diesel particulate matter control measure for solid waste collection vehicles.

- CARB has selected two Los Angeles County communities for the Study of Neighborhood Air near Petroleum Sources (SNAPS), Baldwin Hills - Inglewood Oil Field and South Los Angeles - La Cienega Oil Field.
- In September 2018, the Clean Vehicle Assistance Program was launched to assist lower-income consumers with the purchase of the cleanest new and used cars available on the market.

Discussion

Dr. Lyou inquired if the SNAPS study would also include an inventory assessment. Mr. Clerico indicated that the study is focused on monitoring.

Bill LaMarr inquired if CARB plans to determine the recent California forest fires emissions impact on attainment goals. Mr. Clerico indicated that he would need to follow-up with their monitoring group. Dr. Lyou commented on the statewide Purple Air sensor network and the spike of PM2.5 levels near the fires. He added that we could potentially have fire season ten months out of the year, every year, and it would then no longer be considered an extraordinary event.

Dr. Lyou commented on a letter sent by the Governor to CARB requesting regulations for public and private fleets in California, and the subsequent September workshop and rule making process. Art Montez inquired whether the fleets locations could be monitored, especially those located near communities of color. Barbara Baird added that in SCAG's Regional Transportation Plan they look at environmental justice impacts for the transportation network. Rongsheng Luo confirmed that SCAG does track this data. Dr. Lyou mentioned CARB's AB 617 implementation meeting scheduled for September 27, 2018, and the proposed monitoring for communities.

Rongsheng Luo inquired if SNAPS is part of the AB 617 program. Mr. Clerico indicated that SNAPS is not formally part of AB 617, but it will complement the goals of AB 617. Jill Whynot pointed out that CARB recently adopted an oil and gas regulation, while SCAQMD was also working on a similar regulation, and ultimately SCAQMD's put theirs aside because of the similarity between the regulations. Ms. Whynot further explained that the SNAPS program is a regulation follow-up to see if there are leaks and a good understanding of the emissions identified.

LEGISLATIVE UPDATE

Philip Crabbe reported on key legislative updates.

There will be an end-of-year summary report on the State legislature & Governor's Actions for 2018, which will include:

- The State Legislature adjourned on August 31st for the 2018 legislative year. The State Assembly and Senate combined, introduced over 2,600 bills in 2018 and sent over 1,500 bills to the Governor for his consideration. The bills to the Governor include some leftover two-year bills from 2017. Bills that did not make it to the Governor's desk are now dead.
- The Governor has until September 30 to sign into law or veto all bills passed in 2018. Any bills not acted on by the Governor will also become law.
- Specifically for the South Coast region, this was a successful legislative year in several ways, including but not limited to:
 - The securing of \$50 million in statewide funding for local air districts to support implementation of AB 617 (C. Garcia) requirements. This is an increase from last year's funding level of \$27 million.
 - The securing of \$245 million in statewide funding to local air districts for incentives to help accelerate turnover to clean vehicles, in support of the AQMP.

- SCAQMD's sponsored bill, SB 1502, was signed into law by the Governor. This bill allows local air districts to provide more modern forms of public notice, such as through electronic email; and
- Securing key amendments to SB 1260 (Jackson) - Fire prevention and protection is pending before the Governor. This bill would allow SCAQMD to permit mechanized burner equipment in Los Angeles County and provides for cleaner controlled open burns.

There will be discussions on a new public survey being developed, which relates to a potential sales tax increase ballot measure for air quality funding. The Governing Board approved this as a legislative concept to pursue this on September 7, 2018.

Discussion

Bill LaMarr requested clarification on SCAQMD's intentions with the public survey. Philip Crabbe replied that the Governing Board has approved this as a legislative concept to pursue.

Dr. Lyou commented that since SCAQMD's position on bills has to be approved by the Governing Board or the Legislative Committee, the agency is often not in a good position at the end of legislative session. This is because we are unable to react as quickly as needed. He further indicated that SB 750 (Delgado) sailed through legislature and is now before the Governor, and AQMD has not even had an opportunity to take a position on it. Dr. Lyou recommended that this bill be placed on the Legislative Agenda to potentially take a position on it. He further suggested the possibility of a special Legislative Committee meeting to be held the last week of the legislative session, before the end of the 72-hour deadline.

David Rothbart inquired if SCAQMD has a position on SB 1440. Philip Crabbe replied no. Dr. Lyou indicated that there are thousands of bills to consider and the Legislative Committee is unable to address all of the bills being discussed, and only the highest priority bills are addressed.

UPDATE REGARDING LITIGATION ITEMS AND RELATED EPA ACTIONS

William Wong had no updates to report.

Discussion

Barbara Baird reported that both sides in the RECLAIM lawsuit are considering the option to stay the litigation, and to see how the RECLAIM amendments shakeout over the next sixteen months.

FACILITY-BASED MOBILE SOURCE MEASURES

Dr. Sarah Rees gave an update on the status of the Facility-Based Mobile Source Measures work. She described the activity to date for airports, ports, new and redevelopment, warehouses, and railyards and plans for future working group meetings. Barbara Baird gave a summary of the state and federal regulatory framework regarding mobile sources and the SCAQMD's legal authority to develop indirect source rules.

Discussion

Mike Carroll inquired which airports are covered by this measure. Dr. Rees replied Los Angeles, Burbank, John Wayne, Ontario and Long Beach airports.

Mike Carroll inquired about the major development community. Dr. Rees indicated there is an overlap from the Warehouse Working Group, as well as major real estate entities.

Art Montez expressed appreciation of the agency's desire to work with industry and not just to impose a regulatory burden. He also inquired if SCAQMD monitors their regulations to determine

if the desired targets are actually achieved. Dr. Lyou indicated that policies are developed for today's technologies and that the agency does consider changes that occur.

David Rothbart inquired about the status of the goals set for the 2016 AQMP. Dr. Rees outlined the progress achieved, as well as the current regulatory actions on stationary sources. Mr. Rothbart further expressed concern about not reaching attainment. Dr. Lyou commented on the attainment levels that need to be met and the possibility of Section 185.

Bill LaMarr expressed concern about CARB's fleet certifications and the potential liability for small businesses. Dr. Rees expressed that many details are still being worked out. Dr. Lyou indicated that there is a 30 percent non-compliance with existing truck and bus fleet retrofit certifications, and this is why CARB is looking at enforcement.

Mike Carroll inquired about additional information on the SCAQMD's indirect source rules. Dr. Rees indicated that information can be found on our website.

Due to comments expressed at the September Governing Board meeting, and at Dr. Lyou's request, Ms. Baird provided clarity and background on SCAQMD's legal authority to regulate indirect sources.

David Rothbart inquired if the San Joaquin litigation had any discussion on existing versus future sources. Ms. Baird responded no, because discussions applied only to new development.

Nan Harrold inquired about future indirect sources that will be regulated. Dr. Rees responded that the focus is on what we are working on now. Dr. Lyou added that there are still many potentially significant indirect sources that we are leaving off the table at this point.

Dr. Lyou commented that he found SCAQMD's characterization of backstopping the ports to be interesting and the need to not interfere with their incentive money, which would only occur if we adopted regulations. Dr. Rees indicated that SCAQMD does not want to impede their ability to get funding.

Dr. Lyou inquired about the development and re-development ISR economic impacts and what is going to be required of the ports. Dr. Rees indicated that the rulemaking process has not started, but it would probably be modeled according to scenarios. Dr. Lyou reiterated the importance of having a menu on what is being considered, this approach would help determine if the criteria are being met.

Dr. Lyou inquired why SCAQMD's CEQA guidance document has not been updated since 1993. Ms. Whynot indicated that it is due to resources. Ian MacMillian indicated that parts of the guidance have been updated.

SUBCOMMITTEE STATUS REPORTS

A. Freight Sustainability (Dan McGivney)

Dr. Lyou indicated that CARB has published a list of proposed freight projects.

B. Small Business Considerations (Bill La Marr)

An update was provided on the following items.

- CARB's criteria pollutants & toxic air contaminants proposed regulation;
- CARB's Clean Air Protection Blueprint;
- RECLAIM Working Group; and

- PAR 1469 discussions with the Metal Finishers Association

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

An update was provided on the following item.

- CARB staff has prepared its staff report on the recommendations on which communities will be subject to the initial round of the community air protection plan.

D. Climate Change (David Rothbart)

An update was provided on the following items.

- Global Climate Action Summit starts today in the Bay area;
- Governor signed SB 100; and
- Governor signed Executive Order B5518

REPORT FROM AND TO THE STATIONARY SOURCE COMMITTEE

Jill Whynot provided a summary of items on the August and September 2018 meeting agendas.

- PAR 1135;
- Status report on Regulation XIII;
- Status update on underfired charboilers;
- PR 1407.1;
- PAR 2001 and 2002; and
- Draft Test Method Guidance Document for Rule 1168.

OTHER BUSINESS

There were no comments.

PUBLIC COMMENT

There were no comments.

ADJOURNMENT

The meeting was adjourned at 11:56 a.m. The next meeting of the Home Rule Advisory Group is scheduled for 10:00 a.m. on November 14, 2018, and will be held at SCAQMD in Conference Room CC-8.