



# South Coast Air Quality Management District

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

## HYBRID LEGISLATIVE COMMITTEE MEETING

### Committee Members

Councilmember Michael A. Cacciotti, Chair  
Mayor Patricia Lock Dawson  
Supervisor Curt Hagman  
Supervisor V. Manuel Perez  
Councilmember Nithya Raman  
Vice Mayor Brenda Olmos

**August 8, 2025 ♦ 9:00 a.m.**

### TELECONFERENCE LOCATION

Riverside City Hall 7 <sup>th</sup> Floor Conference Room 3900 Main St. Riverside, 92522	Paramount City Hall 16400 Colorado Ave. Paramount, CA 90723
Office of Supervisor Perez 78015 Main Street Suite 205 La Quinta, CA 92253	

**A meeting of the South Coast Air Quality Management District Legislative Committee will be held at 9:00 a.m. on Friday, August 8, 2025, through a hybrid format of in-person attendance in the Dr. William A. Burke Auditorium at the South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, and remote attendance via videoconferencing and by telephone. Please follow the instructions below to join the meeting remotely.**

**Please refer to South Coast AQMD’s website for information regarding the format of the meeting, updates if the meeting is changed to a full remote via webcast format, and details on how to participate:**

<http://www.aqmd.gov/home/news-events/meeting-agendas-minutes>

**INSTRUCTIONS FOR ELECTRONIC PARTICIPATION AT BOTTOM OF AGENDA**

*Join Zoom Webinar Meeting - from PC or Laptop*

<https://scaqmd.zoom.us/j/99574050701>  
Zoom Webinar ID: 995 7405 0701 (applies to all)

**Teleconference Dial In**  
+1 669 900 6833

**One tap mobile**  
+16699006833,, 99574050701#

**Audience will be able to provide public comment through telephone or Zoom connection during public comment periods.**

**PUBLIC COMMENT WILL STILL BE TAKEN**

**AGENDA**

*Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov't. Code Section 54954.3(a)). If you wish to speak, raise your hand on Zoom or press Star 9 if participating by telephone. All agendas for regular meetings are posted at South Coast AQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the regular meeting. Speakers may be limited to three (3) minutes total for all items on the agenda.*

**CALL TO ORDER**  
**ROLL CALL**

**ACTION/DISCUSSION ITEMS (Items 1 through 2):**

- 1. Update on South Coast AQMD Sponsored and Position State Legislation**  
**(No Motion Required)**  
*Staff will provide an update to the Committee on 2025 South Coast AQMD sponsored and position on state legislation.*

**Carlos Gonzalez**  
*Assistant Deputy Executive Officer*  
*Legislative, Public Affairs & Media*

- 2. Overview on Current Federal Legislation**  
**(No Motion Required)**  
*Staff and Consultants will provide a detailed summary on current Federal Legislation and South Coast AQMD priorities.*  
**[Attachment 1a]**  
**[Attachment 2a-2c - Written Reports]**

**Lisa Tanaka**  
*Deputy Executive Officer*  
*Legislative, Public Affairs & Media*

**Gary Hoitsma**  
*Carmen Group*

**Mark Kadesh**  
*Kadesh & Associates, LLC*

**Lio Barrera**  
*Cassidy & Associates*

**DISCUSSION ITEM: (Item 4):**

4. **Update and Discussion on State Legislative Issues**  
**(No Motion Required)**  
*Consultants will provide a brief oral report on State legislative activities in Sacramento.*  
**[Attachment 3a-3c - Written Reports]**

**Ross Buckley**  
*Buckley Government Affairs  
LLC*

**Paul Gonsalves**  
*Joe A. Gonsalves & Son*

**David Quintana**  
*Resolute*

**OTHER MATTERS:**

5. **Other Business**  
*Any member of this body, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt. Code Section 54954.2)*
6. **Public Comment Period**  
*At the end of the regular meeting agenda, an opportunity is provided for the public to speak on any subject within the Legislative Committee's authority that is not on the agenda. Speakers may be limited to three (3) minutes.*
7. **Next Meeting Date** – September 12, 2025 at 9:00 a.m.

**ADJOURNMENT**

**Document Availability**

*All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available by contacting Maria Corralejo at (909) 396-2759 or send the request to [mcorralejo@aqmd.gov](mailto:mcorralejo@aqmd.gov).*

**Americans with Disabilities Act and Language Accessibility**

*Disability and language-related accommodations can be requested to allow participation in the Legislative Committee meeting. The agenda will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov't Code Section 54954.2(a)). In addition, other documents may be requested in alternative formats and languages. Any disability or language-related accommodation must be requested as soon as practicable. Requests will be accommodated unless providing the accommodation would result in a fundamental alteration or undue burden to South Coast AQMD. Please contact Maria Corralejo at (909) 396-2759 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to [mcorralejo@aqmd.gov](mailto:mcorralejo@aqmd.gov).*

## **INSTRUCTIONS FOR ELECTRONIC PARTICIPATION**

### **Instructions for Participating in a Virtual Meeting as an Attendee**

As an attendee, you will have the opportunity to virtually raise your hand and provide public comment.

Before joining the call, please silence your other communication devices such as your cell or desk phone. This will prevent any feedback or interruptions during the meeting.

**Please note:** During the meeting, all participants will be placed on mute by the host. You will not be able to mute or unmute your lines manually.

After each agenda item, the Chair will announce public comment.

A countdown timer will be displayed on the screen for each public comment.

If interpretation is needed, more time will be allotted.

**Once you raise your hand to provide public comment, your name will be added to the speaker list. Your name will be called when it is your turn to comment. The host will then unmute your line.**

### **Directions for Video ZOOM on a DESKTOP/LAPTOP:**

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of the screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

### **Directions for Video Zoom on a SMARTPHONE:**

- If you would like to make a public comment, please click on the “**Raise Hand**” button on the bottom of your screen.
- This will signal to the host that you would like to provide a public comment and you will be added to the list.

### **Directions for TELEPHONE line only:**

- If you would like to make public comment, please **dial \*9** on your keypad to signal that you would like to comment.

# Overview of Federal Legislative Issues

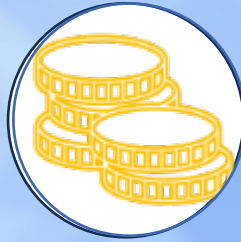
Legislative Committee  
August 8, 2025



# Overview



**Congressional Calendar**



**Budget Reconciliation**



**Recissions & Fiscal Year (FY)  
2026 Appropriations**



**Issues: Surface  
Transportation, Clean Air Act**

# 2025 Congressional Calendar

**46 Days in Session Left Until End of Year**

August Recess



In Session  
(September 2)



Deadline to Pass  
FY26  
Appropriations  
Bills  
(September 30)



End of Session  
(December 18/19)

- **2026 is a Midterm Election Year**
  - End of session likely in early summer
  - Out of session for all August and October in 2026
- **Redistricting Increasing Partisan Pressures**
- **Administrative Actions – Executive Orders, Rescinding Regulations**
- **Litigation**

# Budget Reconciliation

Powerful tool when both Congress and the Administration are aligned to enact priorities

Created by the  
1974  
Congressional  
Budget Act

Three types -  
Provisions must  
directly affect  
**spending,  
revenue, or  
debt limit**

Senate  
Parliamentarian  
Enforces Byrd  
Rule

Simple Majority  
Vote –  
Senate can't  
filibuster and  
only 51 votes  
vs. 60

# H.R. 1, “One Big Beautiful Bill Act”



## Air Quality Related Issues:

- Rescinds certain unobligated IRA grants
- Ends tax credits for electric, light, medium, and heavy-duty vehicles as of October 1, 2025 instead of 2032
- Reverses fuel efficiency and vehicle efficiency emission standards
- Increases Debt Limit by \$5 trillion

## South Coast AQMD INVEST CLEAN not impacted:

- INVEST CLEAN grant is obligated through a fully executed agreement with U.S. EPA

119th Congress can consider additional reconciliation bills

# Recissions

**President's  
recissions request,  
*H.R. 4, passed by  
Congress on June  
12, 2025***

- **\$9B in funds  
allocated to public  
media & foreign aid**

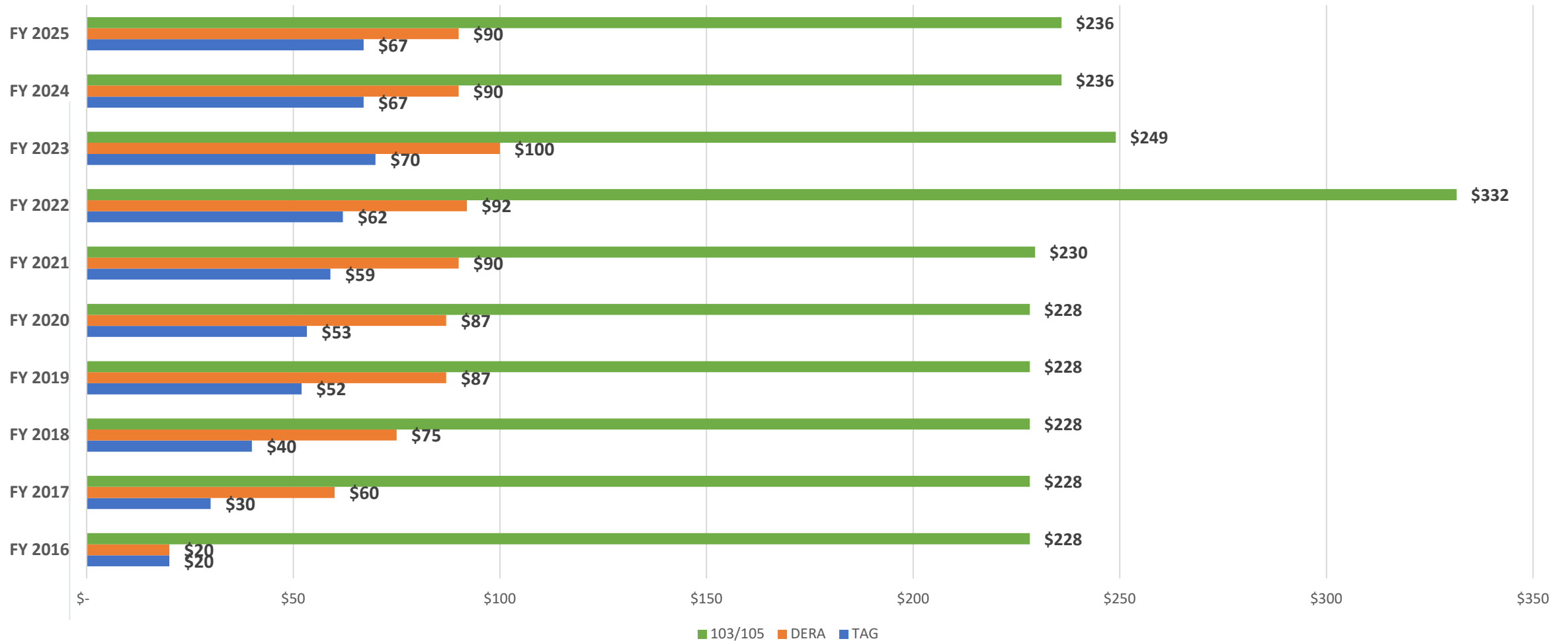
**119<sup>th</sup> Congress could  
consider future  
recission bills**

**Pocket Recission --  
Administration has  
declared**

**“The Impoundment  
Control Act” as  
unconstitutional**

# Appropriations for Clean Air Priorities

Funding for South Coast AQMD priorities steadily increased or maintained over years



# Fiscal Year 2026 Appropriations

- **Targeted Airshed Grants:** \$67.8M (House) / \$68.8M (Senate)
- **Section 103/105:** \$232.6M (House) / \$235.9M (Senate)
- **Diesel Emissions Reduction Act:** \$90M (House) / \$60M (Senate)

Interior,  
Environment &  
Related Agencies



- **National Electric Infrastructure (NEVI) Program:** No new funding.
- **Maritime Infrastructure (META):** \$5M (House) / \$2M (Senate)
- **Port Infrastructure Development Program (PIDP):** \$123.4M (House) / \$96.4M (Senate)

Transportation,  
Housing & Urban  
Development



- **Building Technologies/Building Energy Codes** \$10M
- **HVAC Modernization** \$2M
- **Weatherization Assistance Program Residential Buildings Integration Programs** (No funding)
- **Advanced Technology Vehicles Manufacturing Loan Program** \$13M

Energy & Water  
(Senate has not acted)

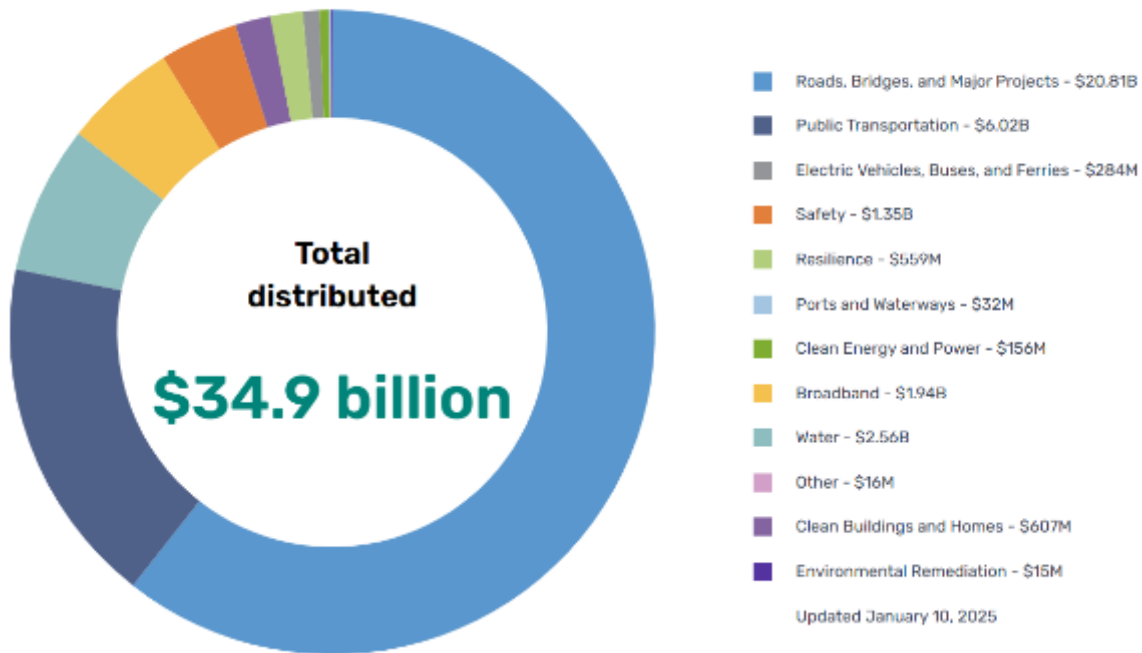


# Surface Transportation Reauthorization

- Reauthorization every five years
- Formula allocation and discretionary grants
- Infrastructure Investment & Jobs Act (IIJA or BIL)
- Authorization ends September 30, 2026

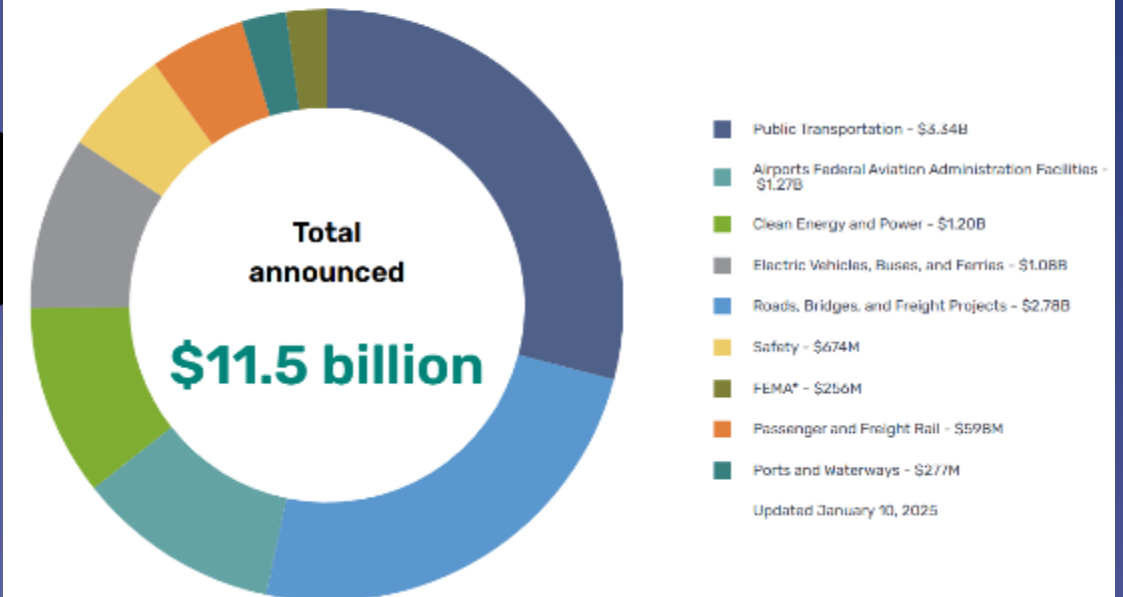
**FY 2026 - Focus on Goods Movement related programs such as charging & fueling infrastructure**

## Formula based IIJA programs by category



## Discretionary Grants IIJA programs by category

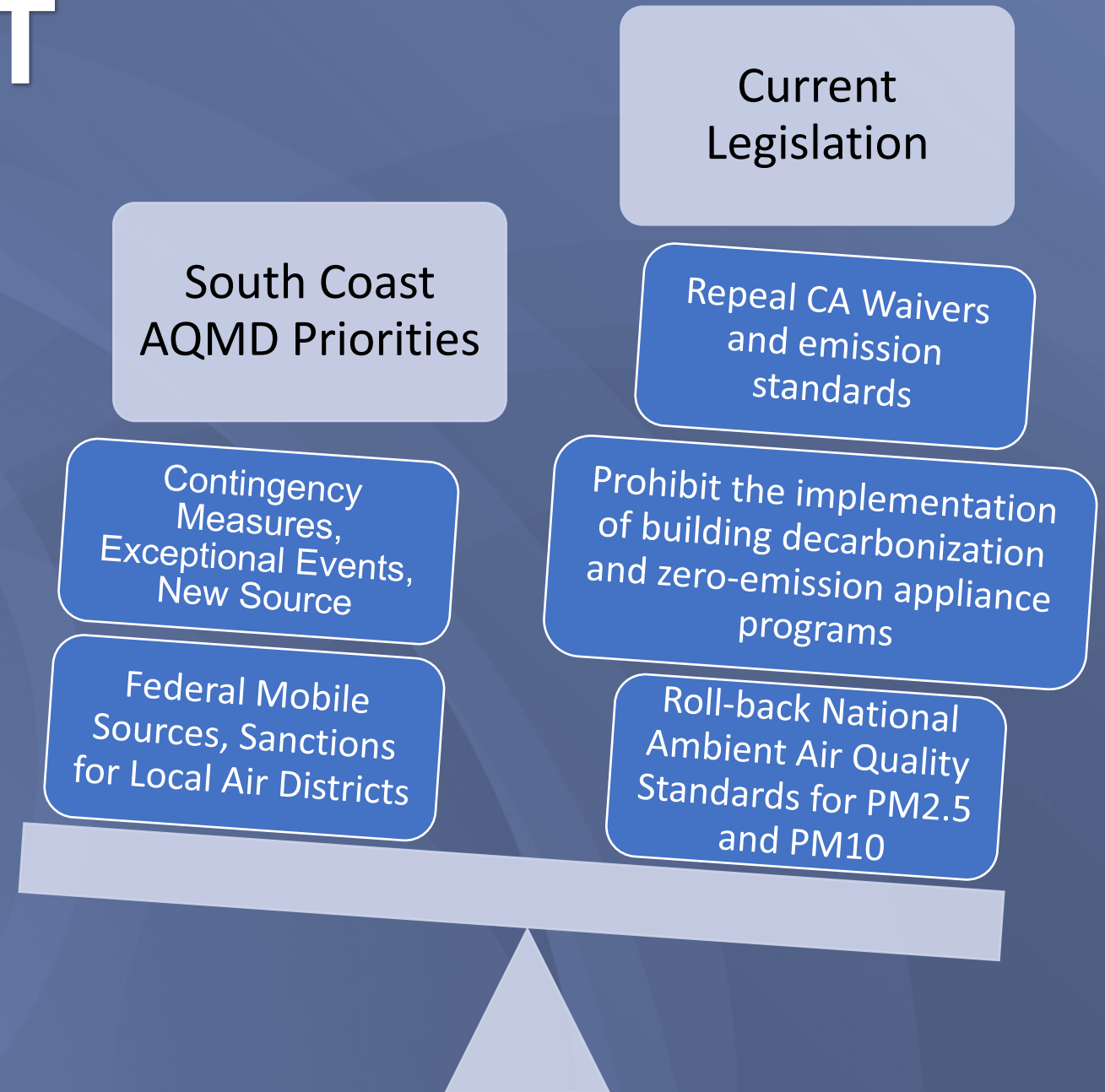
The Infrastructure Investment and Jobs Act (IIJA) provides funding to the Department of Transportation to improve roadways and bridges, freight projects, public transportation, safety, and address climate change.



(Source: Building CA, <https://build.ca.gov/iija-by-the-numbers>)

# CLEAN AIR ACT

- There are less than 46 in session days left.
- Any bills would have to pass the 60-vote threshold in the Senate.
- Revoked California Clean Air Act Waivers for Advanced Clean Cars II, Heavy-Duty Low NOx OMINBUS, and Advanced Clean Truck rules
- U.S. EPA's repeal of the 2009 Endangerment Findings



# South Coast AQMD Priorities

- **Preserve**: ~ \$500M INVEST CLEAN grant
- **Appropriations**: Secure Fiscal Year 2026 funding for TAG, DERA, Section 103/105 programs, and other
- **Surface Transportation Reauthorization**: Advocate for goods movement related programs such as charging and fueling infrastructure
- **Clean Air Act**: Pursue pathway to achieve South Coast AQMD priorities

*A Washington, D.C. advocacy trip is being scheduled for Fall*



Photo by Steve R...





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

**To:** South Coast AQMD Legislative Committee  
**From:** Carmen Group  
**Date:** July 22, 2025  
**Re:** Federal Update -- Executive Branch (June-July)

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**Reconciliation:** After much legislative maneuverings and back-and-forth negotiations among Republicans in the House and Senate, Congress passed (on close party-line votes in both chambers) President Trump’s One Big Beautiful Bill reconciliation package of tax cuts, spending cuts, and defense, border, and energy investments, along with a critical debt limit increase. Immediately in its wake, key Republicans began touting the possibility that two additional Republican-only reconciliation bills could be cobbled together and passed—with additional spending cuts—one late this year and another early next year. But whether Republican unity could be sustained for that to happen remains highly doubtful.

**FY26 Appropriations:** Attention in Congress now turns to the annual appropriations spending bills, which must be passed or addressed in a mutually agreeable “continuing resolution” by September 30 to avoid a government shutdown. With partisan acrimony flowing from the reconciliation fight and with the 2026 mid-term elections fast approaching, the prospects for smooth legislative sailing this fall are dicey.

## **Department of Transportation**

**DOT Launches Surface Transportation Reauthorization Planning Efforts:** In July, Transportation Secretary Sean Duffy convened a symbolic kick-off conference at US DOT HQs designed to foster collaboration among Congressional members and infrastructure stakeholders on priorities for the surface transportation reauthorization process which will swing into high gear this fall. As part of the effort, Duffy sent a [letter](#) to the nation’s governors encouraging states to streamline Federal project permitting by assuming greater responsibility (as allowed by law) for the federal environmental review process under the National Environment Policy Act (NEPA). In addition, the Department of Transportation (DOT) issued a formal [Request for Information](#) (RFI) to gather public feedback, ideas, and recommendations to help inform legislative priorities for the next surface transportation reauthorization effort. RFI responses due August 20, 2025.

**DOT Announces BUILD and Other Key Grant Awards:** In July, DOT announced \$488 million in awards to 30 projects nationwide under Department’s flagship BUILD (formerly TIGER) discretionary grant program. In addition, the Department announced that it had expedited the delivery of funding for a new series of 529 grants (highway,

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transit, rail, aviation, and maritime) that had been originally approved during the previous administration.

**NHTSA Publishes New Final Rule on CAFÉ Standards:** In June, the National Highway Traffic Safety Administration (NHTSA) published a final rule, “Resetting the Corporate Average Fuel Economy Program.” The new interpretive rule does not technically change the existing standards, but clarifies NHTSA’s authority on enforcement and brings the CAFÉ program into compliance with relevant statutory requirements which the agency says were misinterpreted by the previous administration.

**DOT Announces Policy Changes to Advance Infrastructure Projects:** In June and July, DOT announced the following policy changes its say will help DOT to spend federal money more efficiently and expedite and advance more Federal transportation projects: NEPA (Updated environmental review procedures regarding timelines, page limits, agency jurisdictions, and categorical exclusions); TIFIA (Updated policies greatly expanding more projects to credit program access; and DEI (Updated guidance confirming that, where lawful, the DOT will no longer enforce previously approved project requirements that relate in any way to “climate change, ‘greenhouse gas’ emissions, racial equity, gender identity, ‘diversity, equity and inclusion’ goals, environmental justice, or the Justice 40 Initiative.”

**DOT Terminates California HSR Grant Agreements:** In July, DOT announced its final determination to terminate approximately \$4 billion in unspent federal funding for California’s High-Speed Rail Project. Meanwhile, Federal Railroad Acting Administrator Drew Feely outlined the reasons for the federal government’s decision in a 22-page [letter](#) to the California High-Speed Rail Authority, saying the DOT has now de-obligated the funding involved, and will start exploring how these funds can be made available to “viable and meritorious” passenger rail projects.

**MARAD Announces US Center for Maritime Innovation Website:** [www.uscmi.org](http://www.uscmi.org)

**Notable DOT Appointments:**

**Bryan Bedford** confirmed as *FAA Administrator*. (Former CEO, Republic Airways)  
**Sang H. Yi**, *Acting MARAD Administrator*. (Frmr House staff, Merchant Marine Grad)  
**12 members** named to the new *USDOT Advisory Board*.

## **Environmental Protection Agency**

**EPA Proposes Repeal of Power Plant and MATS Regulations:** In June, the EPA announced proposals to repeal all “greenhouse gas” emissions standards for power plants and to repeal amendments to the 2024 Mercury and Air Toxics Standards (MATS) targeting coal-fired plants. The Agency said these Biden-era regulations imposed massive costs on coal-, oil-, and gas-fired power plants and were imperiling the reliability of the electric grid.

**Zeldin Taking Prominent Role in Trump “Energy Dominance” Agenda:** EPA Administrator Lee Zeldin is taking an increasingly visible role in promoting the Trump Administration’s aggressive energy policies designed to increase energy production,

especially from oil, gas, and nuclear. In June and July, Zeldin: 1) Strongly applauded the President’s signing into law the three Congressional Review Act resolutions disapproving California’s vehicle emissions waivers, calling it “a decisive blow to the electric vehicle mandate”; 2) Traveled to the North Slope of Alaska with other top Trump officials and international energy leaders to promote Alaska’s strong energy potential and provisions in the Republican’s Reconciliation bill in Congress that would advance energy production; 3) Authored a Washington Examiner op-ed in the wake of July 4<sup>th</sup> touting EPA’s work to streamline the permitting process for critical energy projects; 4) traveled with President Trump to Pittsburgh to participate in US. Sen. Dave McCormick’s (R-PA) Pennsylvania Energy and Innovation Summit where industry leaders announced over \$90 billion in investments helping to unleash American energy; and 5) authored an exclusive op-ed on the EPA’s role in advancing energy production and artificial intelligence.

**EPA Announces Reduction in Force:** In July, the EPA announced its latest reduction in force focused on the restructuring of the Office of Research and Development. Combined with other previously announced reductions, voluntary retirements and separations, the EPA workforce stands at 12,448, down from 16,155 in January 2025.

**EPA Announces New Information Websites:** [geoengineering](#) and [contrails](#).

**Notable EPA Appointment:**

**David Fotouhi** confirmed as *Deputy Administrator* (Trump I Acting EPA Gen. Counsel)

## Department of Energy

**DOE Announces Updated NEPA Procedures:** In June and July, the Department of Energy announced new updates to the Department’s National Environmental Policy Act (NEPA) procedures designed to fix what it called the “broken permitting process” for major energy projects. As part of its update effort, DOE published an [interim final rule](#) substantially revising DOE’s NEPA procedures. Reforms include 1) Eliminating outdated procedures; 2) Reducing EA and EIS completion times from 3 to 2 years; 3) Requiring lead agency designations; 4) Implementing strict deadlines and page limits; 5) Providing clear direction to use common sense; 6) Increasing transparency; and 7) Maximizing the use of “categorical exclusions.”

**Energy Secretary Makes Case to Stop Subsidizing Solar and Wind:** In June, Energy Secretary Chris Wright wrote in a *NY Post* [op-ed](#) that it was time to stop subsidizing solar and wind energy, arguing that such subsidies were not serving an appropriate goal of reducing prices while increasing energy supplies.

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**Outreach:** During June and July, Carmen Group was in touch with congressional staff and business group representatives on appropriations and reconciliation issues. We also had a courtesy meeting with the Department of Transportation’s Deputy Assistant Secretary for Policy on surface transportation reauthorization and related matters.

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## KADESH & ASSOCIATES

South Coast AQMD Report for the August 2025  
Legislative Meeting covering June-July 2025  
Kadesh & Associates

Congress has delivered significant legislative and budget wins to President Trump, after weeks of dramatic holdouts and numerous narrow votes. The House will recess this week, with Members headed to their districts until after Labor Day. The Senate will likely recess next week, but we are starting to see the usual warnings from leadership that the Senate's August recess may be shortened unless the chamber can approve more nominees.

The budget reconciliation bill was signed into law in early July, after a 51-50 vote in the Senate (with VP Vance breaking the tie) and a 218-214 vote in the House. Despite the close votes, significant intra-Republican debate, and ultimatums by multiple holdouts, the overall legislation changed very little over the course of the process. The new law permanently extends the 2017 tax cuts, adds significant new funds for defense and immigration and border enforcement, and will reduce funding for Medicaid and federal nutrition programs. Clean energy tax credits under the IRA will be phased out, EV tax credits will be eliminated, and the law also rescinds unobligated funds from many of the EPA clean air programs created by the Inflation Reduction Act, including the Clean Heavy Duty Vehicles program. It also rescinds any unobligated funds the IRA added to DERA and air monitoring. Note that once a federal agency has awarded a contract, the funds are generally considered obligated.

The House and Senate also approved the President's FY25 rescissions request on party-line votes in July. The rescissions process is a rarely used tool for Congress to cancel previously appropriated funds; like reconciliation, it requires only a simple majority to pass in the Senate. The \$9.4 billion package of cuts - focused largely on cutting funding for foreign aid and public broadcasting - passed the Senate, 51-48, and then the House by a vote of 216-213.

While these unique and contentious budget processes have consumed much of the oxygen in DC, the Appropriations Committees are continuing to work through the regular FY26 funding bills, and the House and Senate have each started to move those bills to the floor. The key air quality programs -- TAG, DERA, and the 103/105 grants - are level-funded in the House bill, which is a promising sign following the President's budget request to cut DERA and 103/105. However, one immediate result of the rescission vote is to make a final bipartisan appropriations deal for FY26 more difficult. Appropriations bills require 60 votes to proceed in the Senate, which gives the minority party leverage and a stake in the outcome. However, because the bipartisan FY25 agreement was then undone by a party-line vote, it significantly complicates the negotiating environment as we approach the September 30 fiscal deadline.

### Kadesh & Associates Activity Summary-

-Worked with South Coast AQMD and the congressional delegation on funding implications of FY26 appropriations and reconciliation.

Contacts: Contacts included staff and Members throughout the CA delegation, Senate offices, and members of key committees.



To: South Coast Air Quality Management District  
From: Cassidy & Associates  
Date: July 9, 2025  
Re: June Report

## *HOUSE/SENATE*

### *Congress*

After months of negotiations, Congress completed the reconciliation process with the passage of the One Big Beautiful Bill Act (OBBBA), meeting the President’s deadline of July 4. The bill rescinds unobligated balances for several Environmental Protection Agency (EPA) programs that were funded by the Inflation Reduction Act (IRA), including diesel emissions reductions, fence line air monitoring, methane monitoring, multipollutant monitoring stations, Clean Air Act grants, and programs to address air pollution at schools. The bill passed after multiple late nights in the Senate, with tense negotiations around changes to Medicaid and SNAP eligibility.

In July, the Senate Appropriations Committee is expected to hold markups for Fiscal Year (FY) 2026 appropriations bills. Congress must pass appropriations bills or a continuing resolution (CR) before the end of the fiscal year on September 30. Before leaving for a month-long August recess, the Senate and House will work on the National Defense Authorization Act (NDAA).

### *EPA*

On June 30, more than 270 Environmental Protection Agency (EPA) employees signed a letter to EPA Administrator Lee Zeldin denouncing the Trump administration's effort to “politicize, dismantle, and sideline” the agency. This follows a similar move by employees at the National Institute of Health. The EPA employees claim that the administration’s policies have undermined

the agency's mission of protecting human health and the environment. The letter also criticized the proposed elimination of some of the EPA's divisions including the agency's scientific research arm and plans to repeal significant environmental rules that limit pollution, protect wetlands, and regulate greenhouse gases. Read more [here](#).

According to a court filing from June 16, the Trump administration is reconsidering a ban on the last type of asbestos still used in the United States. Chrysotile asbestos, also known as "white" asbestos, is banned in more than 50 countries due to links to multiple types of cancer. It has long been imported to the United States for use in roofing materials, textiles, cement, and automotive parts. Last year, the Environmental Protection Agency (EPA) banned its use with a measure that would have still allowed some manufacturers to phase out the material for up to 12 years. However, this reconsideration, which has not yet been commented on by the EPA, is estimated to take up to 30 months to complete and would consider removing the rule's ban on the import and use of asbestos in the production of chlorine and chemical manufacturing. Read more [here](#).

On June 11, the Environmental Protection Agency (EPA) announced two proposals to repeal all greenhouse gas emissions standards for the power sector under section 111 of the Clean Air Act (CAA) and to repeal amendments to the 2024 Mercury and Air Toxics Standards (MATS). EPA characterized this as a step towards ensuring affordable, dependable energy for all Americans, restoring American energy dominance, and lowering the cost of transportation, heating, utilities, farming, and manufacturing. Under the proposal, EPA is now suggesting that greenhouse gas emissions from fossil fuel fired power plants do not contribute significantly to dangerous air pollution and is proposing efficiency-based requirements as an alternative. Similarly, according to the proposal, the MATS rule created regulatory uncertainty for coal plants, and the proposal includes relieving all facilities of three different standards under the rule. Read more [here](#).

On June 10, the Senate approved David Fotouhi as the Deputy Administrator of the Environment Protection Agency (EPA). David Fotouhi is an environmental attorney who previously served as the EPA's Acting General Counsel and Principal Deputy General Counsel in Trump's first term. He brings experience in environmental legal and policy issues to his new role. Fotouhi stated that the "EPA must strive to empower American innovation to find tomorrow's solutions for today's environmental challenges, and I look forward to working with Administrator Zeldin and the thousands of EPA career professionals to make tangible environmental progress for the American people." Read more [here](#).

Cassidy and Associates support in June:

- Updated AQMD staff on proposed EPA program cuts.
- Provided intel and guidance on budget reconciliation matters
- Provided guidance for the FY 26 appropriations process
- Updated AQMD staff on highway surface reauthorization
- Continued conversations on permitting reform efforts in Congress and the Administration.
- Worked with SCAQMD staff to strategize on future DC outreach and plan for DC visits.
- Participated in weekly strategy sessions with SCAQMD staff.

## *IMPORTANT LEGISLATIVE DATES*

**September 30, 2025:** Deadline to fund the federal government.

**September 30, 2025:** The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries, expired in 2023. The bill is reauthorized on a five-year cycle.

**December 31, 2025:** National Defense Authorization Act, which authorizes and funds specialized Department of Defense (DoD) programs and sets the DoD's policy agenda each year.



To: South Coast Air Quality Management District  
From: Cassidy & Associates  
Date: July 21, 2025  
Re: July Report

## *HOUSE/SENATE*

### *Congress*

Lawmakers continue to work on Fiscal Year (FY) 2026 appropriation bills before the month-long August recess starts after August 1. The House passed the FY 2026 Defense appropriations bill, clearing the first hurdle to funding the Department of Defense ahead of the September 30 deadline. The House Appropriations Committee held markups of the appropriations bills for Transportation, Housing and Urban Development; Energy and Water Development; Interior and Environment; National Security and Department of State; and Commerce, Justice, and Science. The Senate Appropriations Committee held markups of the appropriations bills for Commerce, Justice, and Science; Military Construction and Veterans Affairs; Agriculture; and the Legislative Branch. Additionally, the House and Senate Armed Services Committees held full committee markups of the FY 2026 National Defense Authorization Act.

Last week, the House passed the White House's \$9.4 billion rescissions package, which cuts foreign aid and more than \$1 billion from the Corporation for Public Broadcasting. Two House Republicans voted against the bill, Reps. Brian Fitzpatrick (R-PA) and Mike Turner (R-OH). Earlier in the week, two Republican Senators also voted against the bill, Sen. Lisa Murkowski (R-AK) and Sen. Susan Collins (R-ME). The bill heads to the President's desk for signature.

In Committee activity, the Senate Environment and Public Works Committee held a hearing on stakeholders' perspectives on the Surface Transportation Reauthorization Bill, while the House

Energy and Commerce Committee held a hearing on recycling that covered e-waste and opportunities to bolster domestic recycling capacity.

## *EPA*

On July 17, the U.S. Environmental Protection Agency (EPA) announced the next phase of its internal reorganization to improve efficiency, modernize mission support, and better fulfill its core responsibilities of protecting air, water, and land. The changes impact multiple offices, including Mission Support, the Chief Financial Officer, Enforcement and Compliance Assurance, and Land and Emergency Management. Key updates include the creation of a centralized Office of Finance and Administration and adjustments to enforcement and land management offices that aim to better align regulatory actions with legal mandates and community needs. Read more [here](#).

On July 17, the U.S. Environmental Protection Agency (EPA) issued a direct final rule and companion proposal extending compliance deadlines for coal combustion residual management units (CCRUMs). Facilities can now submit both sections of the required Facility Evaluation Report by February 8, 2027, and groundwater monitoring requirements have been extended to August 8, 2029. These extensions apply across all related CCRMU compliance deadlines. EPA Administrator Lee Zeldin framed the move as part of the agency's broader deregulatory agenda. The final rule will take effect six months after publication with a 30-day public comment window now open. Read more [here](#).

On July 7, the U.S. Environmental Protection Agency (EPA) reached a settlement with Gateway Energy Storage, LLC, following a lithium-ion battery fire at its San Diego facility, which began on May 15, 2024, and flared periodically until May 28. The site housed nearly 14,800 nickel-manganese-cobalt lithium-ion batteries, posing significant risks of fire, explosion, and exposure to toxic chemicals. Under the settlement, Gateway is required to conduct environmental monitoring, safely remove and dispose of damaged batteries, and submit progress reports to the EPA. EPA Regional Administrator Josh F.W. Cook emphasized the environmental and health hazards of utility-scale battery fires, particularly for first responders. Read more [here](#).

On July 3, the Environmental Protection Agency (EPA) placed 144 employees on administrative leave and launched an investigation after the employees signed a letter accusing the Trump administration of politicizing the agency. The EPA claims the employees misused their official titles and undermined leadership, while unions and advocacy groups argue this is unconstitutional retaliation against protected free speech. Read more [here](#).

The One Big Beautiful Bill Act, signed into law on July 4, repealed the Greenhouse Gas Reduction Fund, a multibillion-dollar green bank for financing climate-friendly projects. Back in March, Climate United Fund and other nonprofits sued the Environmental Protection Agency (EPA) for the freeze and cancellation of funds from the program. Now, according to a new filing, the EPA believes the bill's repeal of the green bank will aid their victory in the lawsuit. Read more [here](#).

Cassidy and Associates support in July:

- Provided guidance for the FY 26 appropriations process, including language report for non-attainment areas
- Updated AQMD staff on highway surface reauthorization
- Tracked energy and environment amendments for the budget reconciliation process
- Continued conversations on permitting reform efforts in Congress and the Administration.
- Worked with SCAQMD staff to strategize on future DC outreach and plan for DC visits.
- Participated in weekly strategy sessions with SCAQMD staff.

## *IMPORTANT LEGISLATIVE DATES*

**September 30, 2025:** Deadline to fund the federal government.

**September 30, 2025:** The Farm Bill, an omnibus package of legislation that supports US agriculture and food industries, expired in 2023. The bill is reauthorized on a five-year cycle.

**December 31, 2025:** National Defense Authorization Act, which authorizes and funds specialized Department of Defense (DoD) programs and sets the DoD's policy agenda each year.

South Coast AQMD, Legislative Committee Report  
Buckley Government Affairs LLC  
August 8, 2025

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### **Legislative Session Update**

Following the House of Origin deadline on June 6, the Legislature quickly resumed work, turning its attention to bills introduced in the opposite house. This period marks the halfway point of the legislative year.

Throughout June and July, the Legislature has been focused on the July 18 deadline for two key reasons. First, it is the final day for policy committees to advance bills to the floor or to the Appropriations Committee. Second, it signals the start of the Legislature's summer recess. In the weeks leading up to this deadline, committee hearings were packed and often extended late into the evening. Notably, one committee considered over 80 bills in a single day, adjourning just before 11:00 p.m.

Legislators will be away from the Capitol from July 18 to August 18. During this time, most members will either work out of their districts or take a well-deserved break before returning for the final sprint to the end of the session.

### **Budget Update**

As in previous years, the Legislature passed its own version of the state budget ahead of the constitutional deadline on June 15, allowing continued negotiations with the Governor before the start of the fiscal year on July 1. Ultimately, a "three-party" agreement was reached, and budget bills reflecting that deal were passed by the Legislature on June 27 and signed by the Governor that same day. However, negotiations took a tense turn when the Governor threatened to veto the budget unless the Legislature also sent him a package of bills that included CEQA reform aimed at expediting housing projects. Those bills were ultimately worked out and sent to the Governor the following week. One of the most notable elements of the Governor's May Revise was the proposal to shift \$1.5 billion in CalFire operational costs into the Greenhouse Gas Reduction Fund (GGRF) expenditure plan, alongside a \$1 billion allocation for High-Speed Rail. His

proposal also eliminated all the existing programs and deferred those decisions until later in the year.

As part of the final budget compromise, CalFire was still shifted over to the cap-and-trade auction program from the General Fund—\$1 billion in 2025–26, up to \$1.25 billion in 2026–27, \$500 million in 2027–28, and another \$500 million in 2028–29. These future fund shifts may ultimately prove unnecessary if General Fund revenues improve. Final GGRF appropriations are expected to be addressed in August or September through additional budget actions, while reauthorization of the cap-and-trade program remains deferred for future policy bill discussions.

Additional budget provisions on the budget include:

- \$1 million for the South Coast Air Quality Management District to deploy mobile air monitoring systems.
- Trailer bill language expanding current law to allow CARB to use transportation equity funds—including unspent funds from the 2021 and 2022 Budget Acts—to help the Clean Cars for All programs serve pending applications.
- \$132.2 million from the Air Pollution Control Fund for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), funded through a recent legal settlement with Hino Motors.

The reauthorization of the Cap-and-Trade program and negotiations over the associated expenditure plan are expected to continue during the summer recess. When the Legislature returns to Sacramento, this issue will be among the most pressing matters to address before adjournment on September 12.



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TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – June & July 2025

DATE: Tuesday, July 22, 2025

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The California State Legislature had experienced fast-paced June and July with the house of origin deadline passing on Friday, June 6, when all legislation must be acted on in the first house before advancing to the next chamber. Budget negotiations were also ongoing, with the Constitutional deadline of June 15 to pass a budget.

In addition, the Senate Democrats elected Senator Monique Limon to be the next President Pro Tempore and the Assembly Republicans elected Assemblymember Heath Flora to be the next Republican Leader.

The Legislature adjourned for summer recess on July 17, 2025 and will return on August 18, 2025. They will then have until the end of session, September 12, 2025, to take final action on all pending legislation.

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

### **Budget**

On June 13, 2025, the Legislature passed their budget bill, SB 101, reflecting a 2-house budget agreement for the 2025–26 fiscal year. This act addresses the state’s projected \$12 billion shortfall while preserving investments in housing, infrastructure, education, and climate resilience. The agreement draws down \$7.1 billion from the State’s rainy-day fund, leaving \$11.2 billion in the account. In addition, lawmakers drew \$2.5 billion from the \$4.5 billion in the State’s Special Fund for Economic Uncertainties.

The joint legislative proposal also includes a \$1 billion loan program for municipalities in Los Angeles County recovering from wildfires, \$750 million in loans for Bay Area transit agencies, and \$110 million for Prop 36, which was not included in the Governor’s proposed budget. The agreement also rejects a proposed \$1.1 billion cut to public transit funding proposed by Governor Newsom. The Legislature continued to negotiate with Governor Newsom on a final budget package and on June 27, 2025, Governor Newsom signed California’s 2025–26 state budget.

California's budget includes several provisions that impact air quality, air pollution control, and climate-related programming, most notably the diversion of cap-and-trade revenues to wildfire resilience.

### **Key Air Quality Provisions**

- Cap-and-Trade Revenue Diversion
- Approximately \$1 billion in cap-and-trade funds is redirected toward wildfire response and emergency services.
- This reallocation limits available funding for long-term clean air initiatives, such as sustainable communities, clean mobility, and local air district programs.

### **CARB Operations and Investments**

- CARB receives continued funding to support:
- Low Carbon Transportation and Air Quality Improvement Program
- Mobile source emission enforcement, including \$3.5 million for new staff to implement the Zero-Emission Forklift Regulation
- Air Pollution Control Fund and GGRF-backed programs, totaling over \$49 million for statewide air quality and climate investments

### **Clean Appliance Standards and Legal Pushback**

- The state advances clean air regulations phasing out gas-powered appliances.
- These efforts have drawn lawsuits from utilities such as SoCal Gas, which could delay implementation and reduce expected emission benefits.

### **Structural and Fiscal Risks**

- Cap-and-trade auction revenues are volatile—recent shortfalls have reduced available funds by over 40% in one quarter.
- Long-term stability for air quality programs depends on legislative reauthorization of the cap-and-trade program beyond 2030.

### **CAP-AND-TRADE**

The Cap-and-Trade program extension is not a part of this package of budget trailer bills. The Governor and Legislature are still negotiating on how long to extend the program and how to spend the GGRF revenues.

In our conversation with legislators, we are being told that this will be a 2-step process. The first step is for the legislature to extend the Cap-and-Trade program. This is priority #1 as the uncertainty of the future of the Cap-and-Trade program has caused the market to be skeptical and

auctions revenues to come in much lower than normal. Once they are able to extend the program, then they will start part 2, which is how to allocate GGRF revenues.

Originally, the Governor and Legislature wanted to change the allocation of the GGRF and to eliminate the continuous appropriations that were included in the last reauthorization. However, there is a new push to keep the current funding mechanisms in place because they have already been litigated in court and the Legislature worries that if they make changes, then it will open them up to new lawsuits.

There is still a lot of work to be done on this issue and we will continue to keep you apprised as the issue progresses.

### **NEW SENATE PRESIDENT PRO TEMPORE**

On June 9, 2025, California Democratic leaders in the state Senate decided on a new leader, electing state Senator Monique Limón to take the role of Senate President Pro Tempore in early 2026. She will replace current Senate President Pro Tempore Mike McGuire during his last year in the Senate.

Senator Limón will be the first woman of color to ever hold the role. Just like Senate President Pro Tempore McGuire, Senate President Pro Tempore elect Limon will serve only 2 years, as she is terming out in 2028.

This restores the balance in leadership between the 2 houses. Prior to electing Senator Limon, the Assembly and Senate both had leaders from the North. Now with Senator Limon being elected, the Assembly leader will be from the north and the Senate leader will be from the south.

### **NEW ASSEMBLY REPUBLICAN LEADER**

On July 9, Assembly Republicans elected Assemblymember Heath Flora, R-Ripon, to be the leader of the Republican Party in the Assembly as current leader James Gallagher, R-Yuba City, prepares to term out in 2026. The Republican Caucus announced that Republican members unanimously elected the Central Valley lawmaker to take over the post.

Assemblymember Republican Leader Gallagher, who has led since 2022, will complete the current legislative session and officially step down on September 16, 2025. Assemblymember Flora, first elected in 2016 and a former firefighter and lifelong farmer, currently serves as Floor Leader and represents rural San Joaquin Valley communities

In announcing his ascension, Assemblymember Flora emphasized unity, a commitment to effective communication, and a vigorous defense of Californian values in a heavily Democratic legislature.

## **NANCY SKINNER – APPOINTED TO CEC**

The California State Senate voted on May 27 to confirm former State Senator Nancy Skinner to the California Energy Commission (CEC), following her appointment by Governor Gavin Newsom in January. Skinner will serve as the commissioner representing science and engineering and will lead the agency's work on clean transportation, ports, and industrial decarbonization. Her appointment marks a full-circle moment in her public service career, which began as a UC Berkeley graduate student serving on the city's energy advisory commission. Over the decades, she has held elected roles on the Berkeley City Council, the East Bay Regional Park District board, and in both chambers of the California Legislature. Known for her leadership on clean energy policy, Skinner authored major legislation including AB 2514, which enabled large-scale battery storage, and SB X1-2, aimed at increasing transparency in gasoline pricing.

At the CEC, Skinner is prioritizing the transition to zero-emission transportation and the infrastructure needed to support it, with an emphasis on improving air quality and affordability. She emphasized at her confirmation hearing that maximizing energy efficiency is the most cost-effective path forward, reducing costs across the system. In addition to her legislative background, she has held executive roles at non-profits like The Climate Group and ICLEI – Local Governments for Sustainability. Skinner also brings academic experience as a former lecturer at UC Berkeley's Goldman School of Public Policy and a senior advisor at UC Davis' Energy and Efficiency Institute. She stressed the importance of making the Commission's work accessible and understandable to the public, reflecting her commitment to inclusive, transparent policymaking.

## **LOW CARBON FUEL STANDARDS**

CARB has announced that its updated Low Carbon Fuel Standard (LCFS) regulation will go into effect on July 1, 2025. The revised rule aims to accelerate investment in clean fuels and zero-emission vehicle infrastructure, helping California meet its air quality and climate goals. CARB emphasizes that the LCFS delivers public health benefits, economic growth, and fuel market stability, while ensuring compliance with federal and state environmental standards. Despite claims to the contrary, fuel prices have remained stable or declined, supported by increased competition and the growing use of cleaner fuels.

The LCFS operates through a credit system that incentivizes low-carbon fuel production and penalizes non-compliant fuel producers. Since its inception, the program has generated \$4 billion annually in private investment and displaced over 30 billion gallons of petroleum fuel. Businesses have earned more than \$68 billion in LCFS credits, and the regulation has helped support the expansion of EV charging and hydrogen fueling infrastructure. The program also contributes to public health and equity, with an estimated \$12 billion in avoided healthcare costs and nearly \$5 billion expected to be invested in disadvantaged communities over the next decade.

CARB projects that the amended LCFS will reduce greenhouse gas emissions by 558 million metric tons and significantly cut nitrogen oxide and particulate matter pollution through 2045. The updates set new targets: a 30% reduction in fuel carbon intensity by 2030 and a 90% reduction by

2045. Designed to be cost-effective, the LCFS includes monitoring provisions to track retail gas price impacts and report findings annually in collaboration with the California Energy Commission.

### **2025 LEGISLATIVE DEADLINES**

June 2-6: Floor Session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to A.R. 77.2, and Conference Committees

June 6: Last day for each house to pass bills introduced in that house

June 9: Committee meetings may resume

June 15: Budget bill must be passed by midnight

July 18: Last day for policy committees to hear and report bills

Aug. 29: Last day for fiscal committees to hear and report bills to the Floor

Sept. 2-12: Floor session only. No committees may meet for any purpose, except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees

Sept. 5: Last day to amend on the Floor

Sept. 12: Last day for each house to pass bills. Interim Recess begins upon adjournment

# RESOLUTE<sup>\*</sup>

## South Coast Air Quality Management District Legislative and Regulatory Update – June/July 2025

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### ❖ Important Upcoming Dates

August 18, 2025 – Legislature Reconvenes from Summer Recess  
August 29, 2025 – Last day for Fiscal Committee to Hear Bills

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

- Provided ongoing updates as the policy committees have been hearing bills.
- Followed up on bills for the 2025 legislative session, including for South Coast AQMD sponsored legislation.
- Arranged meetings with key legislators on behalf of South Coast AQMD.

### ❖ **AB 907 (Chen).** Assemblymember Philip Chen introduced AB 907, sponsored legislation for South Coast AQMD dealing with the inequity of pay for AQMD board members appointed to serve on the CA Air Resources Board. AB 907 is now a 2-year bill.

### ❖ **Cap and Trade Reauthorization.** The Legislature went on Summer Recess on July 18<sup>th</sup> without taking a vote to reauthorize Cap and Trade prior to the break. As a result, the next auction on August 20<sup>th</sup> will occur without the market certainty that a Reauthorization could have provided. It is widely expected that the August auction will provide very lackluster revenue results which will mean less revenue for the Greenhouse Gas Reduction Fund.