



Strengthening the Voice of Business

BizFed Central Valley Member Alliance

African American Farmers of California

Associated Builders and Contractors – Cen Cal

Associated Builders and Contractors – Nor Cal

Building Industry Association, Tulare-Kings

California Association of Food Banks

California Association of Mutual Water Companies

California Business Roundtable

California Financial Service Providers

California Independent Petroleum Association

California Manufacturers & Technology Association

California Metals Coalition

Downtown Visalians

Employers Group

Fresno County Farm Bureau

Fresno Metro Black Chamber

Greater Bakersfield Chamber of Commerce

Hanford Chamber of Commerce

Hong Kong Trade Development Council

Independent Oil Producers Alliance

Kern Citizens for Energy

Kern County Society for Human Resource Management

Kern Economic Development Corporation

Kern Hispanic Chamber of Commerce

Kern Home Builders Association

Kern Taxpayers Association

Manufacturers Council of the Central Valley

National Association of Royalty Owners - CA Chapter

Nisei Farmers League

North of the River Chamber Of Commerce

Pacific Merchants Shipping Association

San Joaquin Valley Manufacturing Alliance

Taft Chamber of Commerce

Tulare County Association of REALTORS

Visalia Economic Development Corporation

Water Association of Kern County

Western States Petroleum Association

3/14/19

Dave Edwards, Assistant Division Chief
Air Quality Planning and Science Division
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812
dedwards@arb.ca.gov

Dear Mr. Edwards,
BizFed Central Valley is a grassroots organization whose membership includes top valley industries and key businesses associations that represent approximately 20,000 area businesses, which employ more than 300,000 people.

The California Air Resources Board (CARB) on December 14, 2018 approved a new regulation for Criteria Air Pollutant and Toxic Air Contaminant Emissions Reporting pursuant to AB 197 and AB 617.

It is our understanding that CARB staff intends to approve proposed amendments to the reporting regulations without another public hearing before the Board.

Our members are very concerned the proposed amendments may impact an enormous number of additional sources in and out of AB 617-designated communities without going through an adequate public hearing process. Further, it is not clear the proposed amendments are "sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action" [Govt. Code Sec. 11346.8(c)].

One of the major changes to the Board approved regulation is broadening the scope of sources required to report emissions. A second major change is the proposal to lower the levels of toxic contaminants required to be reported.

The original Board resolution approving the new reporting regulation referenced an Initial Statement of Reasons (ISOR) that was circulated and made available for public comment 45 days before the Board adoption hearing. The ISOR contained the required economic impact assessment [Gov. Code Sec. 11346.2(b)(2) and 11346.3(b)] including the estimated costs to businesses and public agencies to comply with the proposed regulatory language that was also made available 45 days before the adoption hearing.

Specifically, the economic impact assessment, including the estimated costs, was based on an expectation that the regulation would affect approximately 13,980 business entities. The total cost impact to all affected entities, including private businesses and local and state

government entities, was projected to be \$10.5 million over a four-year period.

CARB staff held a series of workshops in early March to discuss the potential updates to the applicability requirements of the regulation and other proposed changes based on comments received. At these workshops CARB staff shared that the proposed amendments would apply to approximately 80,000 entities.

This is almost six times the number of covered entities used in the economic impact assessment on which the Board based its affirmative adoption vote.

The cost impact for all affected entities, including private businesses and local and state government entities may then be almost six times the original estimate — or more than \$60 million over a four-year period.

Based on the lack of business participation in the workshops, potentially impacted businesses are not even aware of the proposed amendments, thus did not have the opportunity to comment on how it may affect them, nor suggest changes to make the program more effective and less burdensome. They also don't have the benefit of an applicable economic review of the potential effect of the proposed revised regulations.

BizFed further questions the necessity of extending the reporting requirements geographically without due consideration to the site-specific risk associated with a source. As Eric White, President of CAPCOA noted in the March 5, 2019 workshop, "Simply looking at the absolute emissions from a facility does not provide the context of what those emissions mean to a community."

The spirit of existing California administrative law, and AB 617 itself, clearly leans toward greater public review and participation rather than less. BizFed CV members feel that a 15-day review (or even a subsequent 15-day review) combined with the abbreviated approval process is not enough for a full evaluation of the proposed amendments to already complex and wide-ranging reporting requirements.

As noted above, a shortened review would also avoid the in-depth review usually associated with the adoption of regulations, including the economic analysis and environmental review that is required under California law. The "Blueprint," that guides implementation of AB 617, was a comprehensive document created and modified with a great deal of give and take between CARB staff and the public. Indeed, CARB has long adhered to a standard of public transparency and engagement to view potential regulations from multiple angles — including economic burden.

Broadening the geographic scope of reporting and lowering the levels at which emissions will be required to be reported will create a significant cost increase for potentially affected businesses, non-profits such as hospitals and local and state government agencies. These entities should have the opportunity to examine the proposed amendments and the impact that they may have on their operations and be given ample time to make comments at a public hearing before the California Air Resources Board.

We appreciate CARB staff's effort to explain the proposed amendments in the current series of workshops, but we feel workshops alone are not adequate.

We urge CARB to examine the proposed reporting amendments through a standard public review process, which must include a significant comment period and review of potential economic impacts.

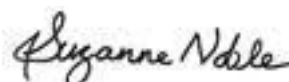
Sincerely,



Darius Assemi
BizFed Chair
Granville Homes



Rob Duchow
BizFed Advocacy Co-Chair
SoCalGas



Suzanne Noble
BizFed Advocacy Co-Chair
Western States Petroleum
Association