

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

JOE SERNA, JR. BUILDING
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
BYRON SHER AUDITORIUM, SECOND FLOOR
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SACRAMENTO, CALIFORNIA

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APPEARANCES

BOARD MEMBERS

Ms. Mary Nichols, Chairperson

Dr. John Balmes

Ms. Doreene D'Adamo

Mr. Hector De La Torre

Mr. Ronald Loveridge

Mrs. Barbara Riordan

Dr. Alex Sherriffs

Dr. Daniel Sperling

STAFF

Mr. James Goldstene, Executive Officer

Mr. Tom Cackette, Chief Deputy Executive Officer

Mr. Richard Corey, Deputy Executive Officer

Ms. Lynn Terry, Deputy Executive Officer

Ms. La Ronda Bowen, Ombudsman

Ms. Mary Alice Morency, Board Clerk

Ms. Analisa Bevan, Assistant Chief, Mobile Source Control Division

Ms. Lezlie Kimura, SIP and Local Government Strategies Section, Planning and Technical Support Division

Mr. Terry Roberts, SIP and Local Government Strategies Section, Planning and Technical Support Division

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Will Barrett, ALA

Ms. Brenda Barron, New Voices Are Rising

Mr. Mark Baza, Imperial County Transportation Commission

Mr. Glen Becerra, SCAG

Ms. Autumn Bernstein, Climate Plan

Ms. Kendra Bridges, Sacramento Housing Alliance

Ms. Elain Chang, SCAQMD

Ms. Amanda Eaken, NRDC

Mr. Devilla Ervin, New Voices Are Rising

Ms. Parisa Fatehi-Weekis, Public Advocates

Mr. Tom Fellenz, CA High Speed Rail Authority

Mr. Larry Greene, SCAQMD

Mr. Steve Heminger, MTC

Ms. Bonnie Holmes-Gen, ALA

Ms. Sarah Jepson, LA Metropolitan Transportation

Mr. John Longville

Ms. Amanda Ma, New Voices Are Rising

Ms. Christina McGhee, New Voices Are Rising

Mr. Larry McCallon, San Bernardino Association of
Governments

Mr. Mike McKeever, SACOG

Ms. Patricia Ochoa, PSR-LA

APPEARANCES CONTINUED

ALSO PRESENT

Ms. Pam O'Connor, SCAG

Mr. Greg Pettis, SCAG

Ms. Nancy Pfeffer, Gateway Cities COG

Ms. Jill Ratner, New Voices Are Rising

Mr. Robinson, California Black Chamber of Commerce

Mr. Jerome Stocks, SANDAG

Ms. Myesha Williams, New Voices Are Rising

Mr. Dennis Zane, Move LA

INDEX

PAGE

Item 12-2-1	
Chairperson Nichols	3
Motion	4
Vote	4
Item 12-2-2	
Chairperson Nichols	6
Executive Officer Goldstene	6
Item 12-2-4	
Chairperson Nichols	42
Executive Officer Goldstene	46
Staff	47
Ms. O'Connor	61
Mr. Becerra	64
Mr. Pettis	67
Mr. McCallon	68
Mr. Heminger	79
Mr. Stocks	81
Mr. McKeever	82
Mr. Fellenz	83
Mr. Baza	85
Ms. Jepson	85
Ms. Chang	89
Ms. Bernstein	90
Ms. Ochoa	93
Ms. Holmes-Gen	94
Mr. Zane	97
Ms. Pfeffer	100
Mr. Longville	102
Ms. Fatehi-Weeks	105
Ms. Eaken	107
Item 12-2-5	
Chairperson Nichols	119
Executive Officer Goldstene	120
Staff Presentation	121
Mr. McKeever	133
Ms. Holmes-Gen	141
Ms. Bernstein	144
Ms. Ratner	146
Ms. Willlliams	148
Mr. Ervin	150
Ms. Barron	153

INDEX CONTINUED

	<u>PAGE</u>
Ms. Ma	154
Ms. McGhee	155
Ms. Eaken	157
Mr. Ikhata	161
Ms. Bridges	161
Mr. Greene	162
12-2-6	
Chairperson Nichols	171
Executive Officer Goldstene	173
Ombudsman Bowen	173
Mr. Robinson	190
12-2-7	
Chairperson Nichols	193
Executive Officer Goldstene	194
Mr. Barrett	201
Adjournment	205
Reporter's Certificate	207

PROCEEDINGS

1
2 CHAIRPERSON NICHOLS: Good morning, ladies and
3 gentlemen.

4 The March 22nd public meeting of the Air
5 Resources Board will come to order. We welcome you all
6 here.

7 We will begin as we usually do with the Pledge of
8 Allegiance to the flag. So please stand.

9 (Thereupon the Pledge of Allegiance was
10 Recited in unison.)

11 CHAIRPERSON NICHOLS: The Clerk will please call
12 the roll.

13 BOARD CLERK MORENCY: Dr. Balmes?

14 BOARD MEMBER BALMES: Here.

15 BOARD CLERK MORENCY: Ms. Berg?

16 BOARD MEMBER BERG: Here.

17 BOARD CLERK MORENCY: Ms. D'Adamo?

18 BOARD MEMBER D'ADAMO: Here.

19 BOARD CLERK MORENCY: Mr. De La Torre?

20 Mayor Loveridge?

21 BOARD MEMBER LOVERIDGE: Here.

22 BOARD CLERK MORENCY: Mrs. Riordan?

23 BOARD MEMBER RIORDAN: Here.

24 BOARD CLERK MORENCY: Supervisor Roberts?

25 Dr. Sherriffs?

1 BOARD MEMBER SHERRIFFS: Here.

2 BOARD CLERK MORENCY: Professor Sperling?

3 BOARD MEMBER SPERLING: Here.

4 BOARD CLERK MORENCY: Supervisor Yeager?

5 BOARD MEMBER YEAGER: Here.

6 BOARD CLERK MORENCY: Chairman Nichols?

7 CHAIRPERSON NICHOLS: Here.

8 BOARD CLERK MORENCY: Madam Chairman, we have a
9 quorum.

10 CHAIRPERSON NICHOLS: Great. Thank you.

11 I'd like to begin with the preliminary
12 announcements before we get started.

13 Just to remind everybody that anyone who wishes
14 to testify should fill out a request to speak card. These
15 are available in the lobby outside the auditorium.
16 Speakers need to be aware that we do impose a three-minute
17 time limit. Although if we have an item with an usually
18 large number of speakers, we will shorten that.

19 We appreciate if people put their testimony in
20 their own words. And if you have written testimony, if
21 you would summarize it rather than reading it to us
22 because we can read to ourselves.

23 For safety reasons, we need to notice the
24 emergency exits at the rear of the auditorium and to the
25 sides of the room here. In the event of a fire alarm,

1 which I understand we had one of just yesterday, we have
2 to evacuate the room immediately, go down the stairs, and
3 out of the building and wait for the all-clear signal to
4 be given.

5 Okay. I think that's it for preliminary items.
6 So we will then move to the consent calendar, which
7 consists of nine research proposals for funding.

8 Clerk, did we receive any comments? No, we did
9 not. Okay.

10 Then I should ask if there are any Board members
11 who wish to take any one of these items off of the consent
12 calendar.

13 Is there any Board member who would like to
14 comment on any of these items or on the research program
15 in general.

16 BOARD MEMBER SPERLING: I would just like to
17 recuse myself from the vote because of several U.C. Davis
18 projects.

19 CHAIRPERSON NICHOLS: Okay. I forgot that's a
20 good idea to do that.

21 BOARD MEMBER BALMES: I probably should recuse
22 myself because of the UC Berkeley project as well.

23 CHAIRPERSON NICHOLS: Anybody else that needs to
24 recuse themselves?

25 Mrs. Riordan, do you have any research projects?

1 BOARD MEMBER RIORDAN: I don't have any research
2 projects, but I'll move approval of this item, Madam
3 Chairman.

4 BOARD MEMBER SHERIFFS: Second.

5 CHAIRPERSON NICHOLS: Very good. Thank you.
6 All in favor, please say aye.

7 (Ayes)

8 CHAIRPERSON NICHOLS: Any opposed? And any
9 abstentions?

10 Yes, we have two abstentions. Okay. Great.

11 BOARD MEMBER BERG: Madam Chairwoman, before we
12 move on, I would like to thank staff. The consent item is
13 a great idea, but I think sometimes that we don't have an
14 opportunity to let staff know that they did a great job.
15 The research projects are really exciting. I think that
16 they're really trying to pull some of the vision that the
17 Board has and they're listening to some of the concerns.
18 And I really appreciate that. And I just want to say
19 great job and thank you very much.

20 CHAIRPERSON NICHOLS: Thank you. I'm sure staff
21 thanks you, too.

22 But they really have been working on presenting a
23 strategic vision of the research proposals and to put it
24 all into context. I think we are going to be having an
25 update soon on some of the health and greenhouse gas

1 research.

2 DEPUTY EXECUTIVE OFFICER TERRY: Right. That
3 will be in April. And we will bring the annual plan in
4 June. That's an opportunity to look at the strategic
5 issues.

6 CHAIRPERSON NICHOLS: So more to come.
7 DeeDee.

8 BOARD MEMBER D'ADAMO: Just a comment. Just for
9 other Board members to be aware. There is one research
10 proposal involving retrofit technology and studying the
11 effectiveness. And I raised the issue with staff
12 regarding TRUs because there have been some complaints
13 that we've received through the years about the
14 effectiveness of that technology. And all though it
15 doesn't appear that it will fit in with the current study,
16 staff indicated an interest in looking into perhaps
17 another effort at a later time on TRUs. I just thought I
18 would mention that for the other Board members.

19 CHAIRPERSON NICHOLS: Thank you.

20 Any other comments on this item while we're still
21 talking about research?

22 Mr. Goldstene, did you have anything to add?

23 EXECUTIVE OFFICER GOLDSTENE: No. We thank you
24 for the thank you. And we'll keep the Board up to date
25 regularly, particularly in June. That will be the time to

1 work on these issues. We know Professor Sperling wants to
2 be involved, and we're appreciative of that.

3 CHAIRPERSON NICHOLS: Thank you. Okay.

4 The next item is Mr. Goldstene's report on the
5 ARB's program priorities for 2012. And he is planning to
6 preview what the staff is working on during this year and
7 to highlight some of the issues that are expected to be
8 significant this year. So while we have a relatively
9 quiet meeting today, we're not expecting the rest of the
10 year to be quite so quiet. So would you please begin your
11 presentation.

12 (Whereupon an overhead presentation was given
13 as follows)

14 EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman
15 Nichols and members of this Board.

16 Today, I'll provide an overview of the Air
17 Resources Board's activities coming up this year.

18 --o0o--

19 EXECUTIVE OFFICER GOLDSTENE: Your oversight and
20 direction is very important in the year to come as we
21 implement significant and complex programs, including our
22 diesel rules and the new advanced clean car program.

23 We're collaborating closely with our partner
24 agencies and beginning several long-range planning efforts
25 that will improve air quality and public health long into

1 one-stop source of information for all diesel fleet rules
2 and incentive programs. We assisting fleet operators in
3 understanding the requirements of the rules through a call
4 center, training and on-line webinars, presentation, mail
5 outs, website information, radio shows, and press
6 releases. Much of this information is provided in Spanish
7 and Punjabi. We will continue this outreach effort over
8 the next several years as the regulatory deadlines for the
9 various rules become into place.

10 --o0o--

11 Today, you will hear our evaluation of the
12 sustainable communities strategies for the southern
13 California and Sacramento regions. Like San Diego, which
14 you discussed last year, both of these regions are working
15 hard to meet the 2020 and 2035 passenger vehicle
16 greenhouse gas reduction targets set by the Board.

17 Following after southern California and
18 Sacramento, the Bay Area and the eight regional
19 transportation agencies and the San Joaquin Valley are
20 developing alternative scenarios and improved modeling
21 tools that will inform their sustainable communities
22 strategies over the next couple of years.

23 --o0o--

24 EXECUTIVE OFFICER GOLDSTONE: With regard to
25 other major parts of the climate program, last October,

1 you adopted the cap and trade regulation, which we are
2 implementing.

3 I'm happy to report that regulated businesses
4 just met the first milestone at the end of January by
5 completing their registration in the program. Those
6 businesses are now submitting their greenhouse gas
7 emission reports under the mandatory reporting regulation.

8 We're also preparing to conduct auctions this
9 year. Several key contracts have already been executed
10 and the development of the program registry and compliance
11 tracking system are well underway.

12 In June, we will come to you to ask you to
13 consider linking California's cap and trade program to the
14 Province of Quebec's program. The linked program will
15 offer more reduction opportunities and demonstrate
16 leadership for others to join when their programs are
17 ready.

18 As you are aware, through the Western Climate
19 Initiative, we are working with states and provinces on
20 emissions trading policies to tackle climate change. Last
21 November, the WCI partners formed WCI, Inc. This
22 nonprofit corporation provides administrative and
23 technical services to support implementation of the cap
24 and trade program.

25 The Board of Directors of Western Climate

1 Initiative is announcing today that Anita Burke will
2 become the organization's first Executive Director.
3 Ms. Burke brings more than 25 years of professional
4 experience to her new position. In 2003, she founded the
5 Catalyst Institute, an organization that has provided
6 strategic and technical guidance on climate and
7 sustainability programs. Prior to that, she worked on
8 sustainability and climate change issues for Shell.

9 As Executive Director, she's going to be
10 responsible for coordinating administrative support for
11 the emissions trading programs of WCI Inc.'s participating
12 jurisdictions, including the allowance auctions, market
13 monitoring, and tracking of carbon allowances and offsets.
14 Anita is working with the WCI, Inc. Board of Directors to
15 establish an office here in Sacramento and she will be
16 bringing updates to the Board regularly.

17 Late this year --

18 CHAIRPERSON NICHOLS: Excuse me, James. Excuse
19 me just a second.

20 Has this been announced formally then by the
21 partners, the decision to bring her on?

22 EXECUTIVE OFFICER GOLDSTONE: This is actually
23 the first public announcement of the hiring of Ms. Burke.
24 And the partners will be releasing an announcement later
25 today about her selection.

1 CHAIRPERSON NICHOLS: Okay.

2 EXECUTIVE OFFICER GOLDSTONE: With regard to
3 offsets, we plan to bring additional offset protocols to
4 the Board for consideration later this year in an effort
5 to increase the overall offset supply.

6 And of course, another major climate rule we're
7 implementing this rule is the Low Carbon Fuel Standard.
8 The December 2011 amendments will further refine the LCFS,
9 including detailed improvements to the provisions
10 addressing high carbon intensity crude oils. The
11 amendments are currently making their way through the
12 normal public review process needed to finalize the
13 rulemaking.

14 One more point on this is that there are two
15 pending lawsuits that challenge California's low carbon
16 fuel standard: One under federal law, the other under
17 State law. We lost the federal lawsuit on an early motion
18 in the trial court and are currently appealing the ruling.
19 The situation is reversed in the State court lawsuit. We
20 won in lower court, but the plaintiffs have appealed. In
21 response, we're continuing to implement the LCFS program
22 and work with stakeholders but are not yet enforcing the
23 regulation.

24 Shifting to incentive programs, as you know, for
25 many years, ARB has provided financial assistance to help

1 businesses with regulatory compliance. Incentive programs
2 have ensured compliance while keeping businesses in
3 business. The AB 118 and AB 923 incentive programs will
4 both sunset by 2016. The Carl Moyer Program will also be
5 scaled back to a minimally funded program. All told,
6 funding for these programs would shrink from about \$300
7 million to about \$65 million a year.

8 To address this, we're working with Board Member
9 Sandra Burg, CAPCOA, and a broad stakeholder group to
10 evaluate future incentive needs and to ensure that the
11 continuation of these critical programs at an appropriate
12 level of funding.

13 Under current funding in June, we'll bring the
14 fiscal year 2012/2013 funding plan for the AB 118 air
15 quality improvement program for AQIP for your
16 consideration. AQIP funds support and development and
17 deployment of advanced technologies necessary to meet post
18 2020 SIP goals.

19 Another important incentive program is
20 Proposition 1b, or the Goods Movement Emission Reduction
21 Program. This program is a voter-approved bond-funded
22 program currently implementing the \$570 million in funding
23 received to date from bond sales.

24 Later this year, we anticipate updating the
25 program guidelines to reflect technology advances and

1 voice of the Board on incentive program issues. She has
2 agreed to continue that role by facilitating a so-called
3 Log Cabin Meeting on reauthorization of incentives jointly
4 hosted by ARB and CAPCOA on March 28th, next Wednesday.

5 Board Member Berg will also facilitate the
6 ARB/CAPCOA climate meeting on March 29th on AB 32
7 partnerships to work out some of the remaining issues
8 we've have with them there.

9 We participate at a statewide and national level
10 in a number of joint efforts as well, such as the Plug-In
11 Electric Vehicle Collaborative and the National
12 Association of Clean Air Agencies.

13 I'm pleased with the ongoing work that we do to
14 coordinate enforcement action and training. We've just
15 completed training for district hearing Board members.
16 And later this year, we will provide technical training on
17 emerging technologies in the power generation industry and
18 new enhanced vapor recovery requirements for gasoline
19 stations.

20 We also work closely with individual CAPCOA
21 members on a variety of issues. For example, the South
22 Coast and San Joaquin Valley districts are partners in our
23 joint vision effort, which I'll talk about in a few
24 minutes.

1 EXECUTIVE OFFICER GOLDSTONE: Last November, we
2 briefed you on environmental justice, or EJ, policies and
3 reported since 2005 there has been a 50 percent reduction
4 in diesel soot and health risk at the largest ports and
5 rail yards. Reducing community exposure to diesel truck
6 emissions is an ongoing priority, especially in
7 communities with high levels of truck traffic.

8 Our enforcement staff targets compliance with our
9 diesel regulations at ports, rail yards, and distribution
10 centers. We're leveraging our enforcement capabilities by
11 entering into Memorandums of Understanding with the L.A.
12 ports and the Bay Area and San Joaquin Valley Air
13 Districts. These agreements facilitate cross training of
14 enforcement staff and bring additional enforcement
15 capability to communities in these areas.

16 This year, we will continue to cut the diesel
17 soot and NOx emissions from railyard operations by
18 implementing existing rules and agreements. Looking
19 forward, we expect to complete the environmental review
20 process shortly on the 2012 commitments with the railroads
21 to further reduce the health risks in communities around
22 the four priority rail yards in southern California.

23 We are also continuing our programs to monitor
24 air toxics at the neighborhood level in response to
25 community concerns. Over the last decade, we have

1 responded to a variety of community and environmental
2 justice concerns with highly-focused ambient air
3 monitoring studies at various locations throughout the
4 state.

5 We also support these efforts through our
6 research program by funding research on technologies and
7 mitigation strategies that help to avoid, reduce, or
8 minimize the impact of air pollution on local
9 neighborhoods. One tool we are completing is the EJ
10 screening tool for the San Joaquin Valley, which is a
11 GIS-based tool to identify impacted communities.

12 Begin beginning this summer, we look forward to
13 working with the South Coast Air Quality Management
14 District in a technical advisory capacity on their
15 community level monitoring study called MATES IV. This
16 version of MATES, which stands for multiple air toxics
17 exposure study, will build upon previous efforts and is
18 expected to provide updated information on which to base
19 risk assessments.

20 --o0o--

21 EXECUTIVE OFFICER GOLDSTONE: I'd like to
22 highlight quickly the work our Office of Legislative
23 Affairs does. Our office serves as the principle resource
24 on air quality related issues for Cal/EPA and the
25 Governor's office. ARB's Office of Legislative Affairs

1 provides technical expertise and policy advise relating to
2 pending legislation.

3 The office conducts bill analyses on legislation
4 often working closely with CAPCOA and works with the
5 Legislature at budget hearings. They are currently
6 tracking a total of 290 bills and are conducting more
7 analyses on 90 of these right now.

8 The office also serves as a resource to the
9 Legislature and its legislative staff. In fact, next
10 week, on March 27th, Chairman Nichols is testifying on AB
11 32 at the Senate Select Committee on the environment,
12 economy, and climate change.

13 In addition, the legislative office assists Board
14 members with the confirmation process, which Mr. De La
15 Torre and Dr. Sherriffs are working on now.

16 CHAIRPERSON NICHOLS: Currently enjoying.

17 EXECUTIVE OFFICER GOLDSTENE: Our Office of Legal
18 Affairs also plays a key role -- one of the key roles to
19 assist program staff with the drafting of regulations.
20 And of course, they're involved in litigation working
21 closely with the California Attorney General's Office.

22 Our legal office also works closely with our
23 Enforcement Division to enforce our regulatory programs.
24 And again, they also have a regular ongoing relationship
25 with air district attorneys.

1 They also work with local district attorneys, the
2 Attorney General, and other states in ongoing litigation
3 over a variety of rules and federal rules, local
4 decisions, such as the federal particulate matter rules
5 and the federal greenhouse gas rules.

6 The Legal Office is also responsible for
7 responding to the many Public Records Acts requests we
8 get. And they've worked tirelessly to respond to those
9 requests and respond quickly and timely to make sure that
10 we provide the transparency that we're required to provide
11 and want to provide to the public.

12 --o0o--

13 EXECUTIVE OFFICER GOLDSTENE: Integration of air
14 quality and climate programs has been a priority from the
15 very start. This year, we're taking an important step to
16 further that integration. We're calling this effort "A
17 Vision For Clean Air, 2012 to 2050." It's a joint effort
18 by ARB, the South Coast Air Quality Management District,
19 and the San Joaquin Valley Air Pollution Control District.
20 Together, we are developing multiple future scenarios to
21 illustrate quantitatively the technology and fuels
22 transformation needed to meet our multiple air quality and
23 climate goals.

24 This effort takes a fresh, analytical look at the
25 intersection where our clean air goals for ozone,

1 particulate matter, diesel pollution, and greenhouse gases
2 meet. The goal is to provide policy makers with
3 information about the broad context as they consider
4 specific plans to meet individual mandates in the future,
5 such as the SIP requirements to meet air quality standards
6 and the Scoping Plan efforts. We plan to brief the Board
7 on this effort in June.

8 --o0o--

9 EXECUTIVE OFFICER GOLDSTONE: We're also working
10 with the South Coast and San Joaquin Valley and U.S. EPA
11 on the next round of SIPs. Key to the success of these
12 plans is a strong focus on NOx controls.

13 The good news is that thanks to the diesel rules,
14 we are well on our way toward attainment of the 24-hour
15 PM2.5 standard by 2019. Those rules are also essential
16 for attaining the PM2.5 standard by 2014. The districts
17 have started their local public processes for these SIPs,
18 which will continue throughout the year. We expect to
19 bring both of these SIPs to you later in the fall.

20 --o0o--

21 EXECUTIVE OFFICER GOLDSTONE: In addition to the
22 PM2.5 plans in the South Coast and San Joaquin Valley,
23 we're working on several more administrative ozone and PM
24 SIP updates that are needed to facilitate U.S. EPA action
25 on those plans. Our research plan, which we'll bring to

1 EXECUTIVE OFFICER GOLDSTONE: These last two
2 slides highlight some of the items we'll bring to you for
3 your consideration this year.

4 Through July, you'll consider proposed amendments
5 to a number of existing rules, like the Low-Carbon Fuel
6 Standard, zero emission bus and on-board diagnostic
7 particulate regulation. You will also consider amendments
8 to climate-related programs, cap and trade changes,
9 mandatory reporting, and the linkage with the Province of
10 Quebec that I mentioned earlier. In addition, you will
11 hear the update about the vision for clean air that I just
12 mentioned.

13 --o0o--

14 EXECUTIVE OFFICER GOLDSTONE: In the fall, the
15 Board will consider proposed amendments to a number of
16 SIPs. The most significant being the SIPs to meet the
17 federal PM2.5 standards in the South Coast and San Joaquin
18 Valley.

19 The Board will also consider amendments to the AB
20 32 cost of implementation fee regulation, the Air Toxic
21 Control Measure to reduce formaldehyde emissions from
22 composite wood products and biodiesel blend
23 specifications.

24 We will have several proposed regulatory actions
25 that will deal with evaporative emissions from spark

1 ignition marine engines, off-road recreational vehicle
2 re-fueling systems, and propane transfer, as well as
3 regulations to reduce emissions from activities related to
4 oil and gas production, processing, and storage.

5 The items you will consider this year will
6 continue to advance our clean air goals and improve public
7 health throughout California. And again, your oversight
8 and direction is critical as we implement these programs.

9 We appreciate your leadership and look forward to
10 a challenging and productive year. Thank you.

11 CHAIRPERSON NICHOLS: Thank you, James.

12 You know, I'd like to point out the way the year
13 sort of builds that we start out of with some of the
14 picture overview. And towards the end, we move into very
15 specific and not seemingly so exciting regulatory items,
16 like spark ignition engines isn't something we've devoted
17 huge amounts of our careers to. And if don't see the way
18 that fits within the bigger picture -- Tom has. I'm
19 sorry, Tom.

20 EXECUTIVE OFFICER GOLDSTONE: Tom's a little
21 upset.

22 CHAIRPERSON NICHOLS: Excuse me, Mr. Cackette. I
23 didn't mean to suggest that it wasn't extremely important.

24 But I do think it's helpful for those of us who
25 are more generalists to have the backdrop of some of these

1 visionary kinds of documents.

2 And I'm just reminded of the fact that our great
3 triumph of the past year with the advanced clean cars was
4 really made possible by a much longer range process that
5 went on leading up to those regulations, which gave us the
6 opportunity to work with the industry to develop what
7 turned out to be a really wonderfully supported set of
8 regulations.

9 And I think if you look at where we are in our
10 rulemakings for the coming year and some of the issues
11 that we're facing in litigation and in legislation, you
12 would have to say that we need to be in the same place
13 with respect to fuels and to the oil industry that we seem
14 to have gotten to with the auto industry.

15 And I know many of us are feeling this
16 frustration that it seems like at every turn we're meeting
17 with not just typical kinds of controversy, but a much
18 more resistance to the notion of any kind of progress
19 being made here in California.

20 And I just wanted to observe that, because it
21 seems to me that we're going to be needing to kind of
22 reframe some of these conversations that we're having in
23 light of what's going on at the national level. You can see
24 how suddenly fuel prices are becoming an issue in the
25 Presidential election. And there is almost a tutorial

1 going on at the moment in the national press around energy
2 policy and do we have to have a policy in which we do
3 nothing but drill. Or can we have a policy in which we
4 also invest in alternatives? We're kind of at the front
5 lines of that here in California. And we always have been
6 because of -- not just because of AB 32, but because of
7 our interest in air quality and because of our strong
8 environmental standards overall.

9 So while it wasn't highlighted in this report, I
10 think it's just worth putting on the table here that you
11 can expect that this is an issue which is going to be
12 coming back in various ways and we're going to be looking
13 for opportunities to try to push forward in the same way
14 that we were able to do ultimately in the car standards,
15 even though it took a while to get there.

16 I think you had your hand up, Mayor.

17 BOARD MEMBER LOVERIDGE: There's three items.

18 One, I think I want to applaud James' emphasis on
19 working with. CAPCOA does seem to me that cooperative
20 extending the hand and listening and working together
21 works the advantages of local districts and works the
22 advantages of CARB and the state.

23 Second -- and this is something I think that I'd
24 like some attention to. That is this EV marketplace that
25 is -- we applaud the regulations we have, but the

1 marketplace needs change. And I think we need to be not
2 simply observers or spectators of that, but we need to
3 participate in strategies to move the EV marketplace, thus
4 bringing success to the regulations we adopted.

5 So anyway, I think just putting -- emphasize that
6 if we don't do that, I think there is potential
7 disappointment facing the regulations.

8 Third is really a question of James. A number of
9 people ask me about the auctions that are going to occur,
10 when and who and how much and what happens to the money.
11 And there's been a lot of stuff written about it. I
12 wondered if you would -- we're not talking about -- well,
13 tell me, what does 2012 have in store for us as far as
14 auctions are concerned?

15 EXECUTIVE OFFICER GOLDSTONE: We are working
16 towards an August auction. We have for this year planned
17 August and November auctions. There is a lot of work that
18 has to be done to get the auction platforms up and running
19 to make sure we can get that done this year.

20 In terms of possible revenue generated, we have a
21 floor in the cap and trade program of \$10 a ton, which
22 means at a minimum given the number of allowances that
23 we're planning on auction, which is a relatively small
24 amount compared to the number of allowances we're actually
25 allocating out to industry, at a minimum at \$10 a ton,

1 we'd bring in more than \$600 million in auction revenue.

2 And then that, of course, does pose the question
3 about how should that money be expended. Decisions on
4 that have not been made yet. There are a lot of good
5 ideas. The main issue to be aware of in the expenditure
6 of any auction proceeds is that they have to have a very
7 tight nexus to AB 32 requirements.

8 So that discussion will happen probably after we
9 have conducted the auctions and actually have revenue on
10 hand.

11 In the mean time, there may be efforts to have
12 discussions about the best way to use those proceeds, but
13 for the moment, the major focus is just getting the
14 auctions up and running this year.

15 BOARD MEMBER LOVERIDGE: So the question of how
16 they would be spent will come after the August auction as
17 opposed to before?

18 EXECUTIVE OFFICER GOLDSTONE: Well, that's
19 likely. That's most likely. I think that there will be
20 discussions at some point possibly prior to the auctions.
21 But in a sense, it doesn't make sense to have too much of
22 a detailed discussion until we know we have money on hand.

23 CHAIRPERSON NICHOLS: Okay. Yes.

24 BOARD MEMBER SPERLING: So I'd like to follow up
25 on two comments from Chairman Nichols and Mayor Loveridge.

1 The first, this cap and trade revenue issue. I
2 think that I'd like to see ARB getting out in front a
3 little bit on this because so many of our programs -- the
4 effectiveness of our programs are affected, are at stake
5 here. We're talking about the incentives program where --
6 you know, when it goes to the Legislature, they're going
7 to be thinking about incentives and cap and trade revenue
8 and how all this relates together. There's the SB 375,
9 which is only going to be effective if there are
10 incentives directed in some way to the cities and NPOs.
11 There is a whole range of issues. And it seems like we
12 ought to be getting on top of that, at least a little bit.

13 You know, we used to be a rulemaking agency for
14 the most part. We're now beyond that. We have a much
15 bigger footprint. We're affecting so many more parts of
16 the society and the economy. And no one else -- someone
17 has to be out front there talking about how all this fits
18 together and providing some insight.

19 And so that also leads me to the discussion about
20 this multi-pollutant study. And motivating me to think if
21 we're going to be talking about a mufti-pollutant study --
22 and even talked about connecting it to the Scoping Plan.
23 And then you said it's 2050.

24 So first of all, the Scoping Plan is 2020 and not
25 2050. And this is another example I think where there is

1 a role for ARB to play but -- so let me back up.

2 So I've been spending a lot of time in
3 Washington, D.C. the last five or six months. First of
4 all, people haven't come anywhere near thinking about how
5 all these things fit together in a way that we have. But
6 we're not really talking about that or articulating that.
7 And I think we have a real responsibility not only for
8 Washington, not only for other states, but for many other
9 counties, the EU. We really enacted an extraordinarily
10 broad important set of rules and programs and policies
11 over the last couple of years. No one else has done it.
12 No one in the world has done what we've done.

13 EXECUTIVE OFFICER GOLDSTENE: We appreciate your
14 comments.

15 BOARD MEMBER SPERLING: I'm not finished yet.

16 (Laughter)

17 BOARD MEMBER SPERLING: And thus --

18 CHAIRPERSON NICHOLS: No three-minute limit for
19 Board members.

20 BOARD MEMBER BALMES: Especially professors.

21 BOARD MEMBER SPERLING: That was just the
22 preamble.

23 CHAIRPERSON NICHOLS: This is what happens when
24 people go on sabbaticals. Their batteries get recharged.

25 BOARD MEMBER SPERLING: So what that all leads me

1 to think this idea -- we talk about strategic plans all
2 the time. But we don't really do real strategic planning.

3 Here is a case where we really need to be
4 thinking about how do all these rules and incentive
5 programs relate to each other. And not just -- I mean,
6 definitely for 2020, but even more importantly beyond
7 that. And so we need both the scenario kind of analyses
8 that there is a little discussion of and the strategic
9 plan that goes along with it to know, you know, you just
10 take electric vehicles as an example. PUC is doing a
11 whole bunch of things. There is incentive money coming
12 from here and there. There's all the rules. There's cap
13 and trade. There's the LCFS. That's just the electric
14 vehicle issue.

15 And so how does this all fit together? I
16 remember a Former Chief of Staff of the Governor saying
17 how frustrated she was that different parts of the
18 government aren't working together, you know, well enough
19 and all the problems.

20 So I think -- like I said, the rest of the world
21 is watching. And we have all this huge amount of
22 experience. We really need -- it's our responsibility.
23 It's a great contribution if we can articulate that.

24 And then one little third thing to add to
25 Chairman Nichols. What we did with the auto industry --

1 unless you want to come back to me.

2 CHAIRPERSON NICHOLS: No.

3 BOARD MEMBER SPERLING: What we did with the auto
4 industry, as Chairman Nichols said, is extraordinary. It
5 really is. We turned around that whole -- not just us but
6 the EPA and others turned right around. And the auto
7 industry had been resistant if not obstructing a lot of
8 these rules and policies with greenhouse gases and fuel,
9 economy. The whole -- the policy has been turned around,
10 the industry has been turned around. It's an
11 extraordinary success. It's really extraordinary what's
12 happened and it's only in the last few years.

13 And by contrast, you know, progress with the oil
14 industry has not happened. And I agree with Chairman
15 Nichols. We really need to stay focused on that. And I
16 would argue strongly that we need to be more committed to
17 the LCFS more than ever before and we can have a
18 discussion sometime about it. But it's had a huge effect
19 on industry already, to their thinking, and how they're
20 planning. We do obstruct things in certain ways, but
21 internally, a lot of their decision-making process have
22 changed in large part because of the LCFS.

23 And you know, lawsuits are endangering and
24 undermining that. But I just want to make that statement
25 that we have this contrast between the auto and oil

1 industry. And we need to figure out how to fix that part
2 on the oil side.

3 CHAIRPERSON NICHOLS: Well, thank you for the
4 comments.

5 I think we should just hear if anybody else has
6 any general comments they'd like to make. And obviously
7 there is a need for follow-up and for communication
8 between Board members and staff and Board members among
9 themselves, to the extent we're not talking about specific
10 regulatory activities can have conversations as well. And
11 I hope we will.

12 Yes. Anybody else wishes to be recognized? No.

13 Well, let me just add a couple of thoughts here.
14 One is James did touch on the plug-in vehicle
15 collaborative. But to Mayor Loveridge's comment, this
16 issue about how to create a successful EV marketplace is
17 occupying a great deal of my time personally and a number
18 of people on our staff as well. We don't hold all the
19 cards here obviously, but we are very active participants
20 in this collaborative effort along with the other energy
21 agencies and the auto industry itself, the electric
22 utilities, the people who produce all the various charging
23 equipment and local governments and air districts as well.

24 And there has been a lot of good work done on
25 identifying road blocks. California has one of the two

1 very large DOE grants that have been named in the country
2 for EV charging infrastructure. There had already been
3 money going to the San Diego region, which has been out in
4 front in terms of electrifying their city -- their cities.
5 But in terms of planning for EVs, this collaborative has
6 been working with a bunch of different stakeholder
7 organizations on really demonstrating market readiness for
8 electric vehicles.

9 I would invite you -- and we should follow-up on
10 this to personally get involved with yourself and on
11 behalf of your city because there is a lot of work to be
12 done. There is I think probably half the governors in the
13 country have declared themselves to be the leaders on EV.
14 But California really is in a position to be the leaders,
15 partly because the auto companies all are marketing here
16 and want us to be the leaders. And that's a huge help.
17 But also because there has just been a lot of groundwork
18 already laid.

19 But there's still some policies that need to be
20 changed. And of course, we have this issue of half of our
21 population being in areas with municipal utilities and the
22 rest in places with IOUs and different policies in
23 different places and all that. So there is some important
24 things that have to happen. But this is very high on the
25 Governor's list of things that he wants to see

1 accomplished also. So I hope that you all will recognize
2 that and we can probably do a better job of reporting on
3 some of the stuff that's happening.

4 I do want to comment on the issues about cap and
5 trade and revenue. Staff has been doing a lot of
6 thinking, of course, about what they think money should be
7 spent on. We are, as an agency of an administration, not
8 free to go out and lobby on budget issues on our own.
9 It's just not possible. But we have been invited to think
10 about these issues. And our input has been not only
11 sought but really demanded by the administration in order
12 to help them think about how to meet the needs of the
13 state, but also to help them really support the program.
14 Because everybody understands that any revenue that comes
15 from an auction has to be spent in ways that support AB 32
16 or it will be fundamentally subject to challenge. So
17 there is a great need to make sure that the money is going
18 in those appropriate directions.

19 But within that, general rubric there's obviously
20 a lot of ideas about how to spend that money and where the
21 priorities should be and how it fits in with other sums.
22 And I think internal conversations on that are welcome.

23 But ultimately the Legislature is going to
24 decide. We will propose and the Legislature will then
25 decide what to spend money on. That's the way the process

1 works. And we just have to have a united position coming
2 forward from the State if we are going to be successful in
3 that endeavor.

4 So again, I think you're right to flag this as an
5 important issue. But probably not something you're going
6 to be seeing a big report with ARB's name on the front of
7 it.

8 BOARD MEMBER SPERLING: The question is how far
9 can we go. We did have a Market Advisory Committee that
10 made very strong specific recommendations. So it's not
11 like, you know, we haven't stuck our toe in the water
12 publicly. And it seems like we have all these programs
13 and the success of them -- I mean, money is always tied to
14 programs. And so to the extent that we can at least
15 explore what is the role of -- what is the value of these
16 incentive moneys. What is the value of -- how do you make
17 SB 375 effective. I mean, that seems like within a
18 legitimate --

19 CHAIRPERSON NICHOLS: Absolutely. And I think
20 now Mr. Goldstene wanted to respond. He might also want
21 to talk about some of his thoughts on this.

22 EXECUTIVE OFFICER GOLDSTENE: I'd like to point
23 out to Professor Sperling and the whole Board that in the
24 Governor's budget there is -- in the so-called A pages,
25 there is an outline of the types of major areas that the

1 revenue from cap and trade could be spent on. So we do
2 articulate that as an administration there.

3 But, of course, as Chairman Nichols said, the
4 Legislature will need to be involved, and they actually
5 will have to act on any final decisions.

6 We have talked internally about holding some kind
7 of forums. I'm not sure if this would happen, where it
8 would happen, when it would happen, or how would it would
9 be structured. But we are interested at some point in
10 getting input from others about best ways to use these
11 proceeds with the thought towards making sure funds go to
12 the types of programs that are important to all the things
13 we're talking about in this integrated view, as long as
14 they meet the AB 32 nexus, which becomes somewhat of a
15 challenge at certain points, depending on what you're
16 discussing.

17 So it's just premature at this point, but we know
18 a lot of people are talking about it. We are thinking
19 internally about it. We know people in the Legislature
20 are thinking about it internally. And of course, the
21 stakeholder groups have great ideas, too. So it's going
22 to be a long-term effort, a long-term collaborative effort
23 when the time is right.

24 I was also going to mention the Plug Electric
25 Vehicle Collaborative in response to Mayor Loveridge's

1 point about trying to be involved somehow in the EV
2 marketplace, not to just drive the technology, but also to
3 push for the uptake and, you know, use and purchase of the
4 technology. I think that's very important.

5 And also with regard to your point about
6 strategic planning, this is the year where we're going to
7 be focusing on not just strategic planning in the Research
8 Division, but also in the context of the Scoping Plan to
9 try to figure out a way to integrate that all together.
10 We also have to look at the increasingly tighter standards
11 for air quality requirements. And all of this now is
12 really coming to a point where we have to integrate it all
13 together.

14 BOARD MEMBER BALMES: Just a small point. So the
15 items that the Governor put in his budget for potential
16 expenditures on, could you send that to Board members?

17 EXECUTIVE OFFICER GOLDSTONE: We would be happy
18 to. Yes.

19 BOARD MEMBER RIORDAN: And also just for my
20 refresher course, I'd like to know what in the
21 legislation -- the nexus part, because I think that's
22 important to know as a backdrop.

23 EXECUTIVE OFFICER GOLDSTONE: Happy to do that.
24 The main point there is any funding has to go toward
25 mitigating greenhouse gases.

1 CHAIRPERSON NICHOLS: I don't think there's much
2 more analysis that's been done on that. And because of --
3 there's analysis and background material, but there's
4 probably been a reluctance to get too far into specifics
5 of what might be in and what might be out because of the
6 likelihood that will ultimately be subject to challenge
7 and we'll be told by the courts whether we're right or
8 not.

9 BOARD MEMBER RIORDAN: So there's just very brief
10 statement of what nexus is. There has to be a nexus.

11 EXECUTIVE OFFICER GOLDSTENE: And we articulate
12 --

13 BOARD MEMBER RIORDAN: And the word "nexus" was
14 probably not defined.

15 CHAIRPERSON NICHOLS: It's not really the right
16 word probably. The word the Governor has used is
17 "support" AB 32 actively. He's looking for things that
18 can demonstrably achieve the goals.

19 But remember, the goals of AB 32 are also pretty
20 broad. It's greenhouse gas mitigation, but it's also
21 promoting equity of air pollution, promoting reduction,
22 and all of these things in the context of a greenhouse gas
23 plan.

24 BOARD MEMBER SPERLING: So one thought that comes
25 into how to follow up on this. It seems like as we think

1 about strategically how all these things fit together, it
2 might be value -- I think it would be valuable to
3 commission a few high level white papers from people that
4 have thought about this a lot to use as a basis for us. I
5 just believe that this -- it's so important for us to be
6 really playing a leadership role in doing this. And that
7 might be one way to do it is to -- you know, it doesn't
8 cost very much money. It's much cheaper than all these
9 other big research projects we're doing. You can
10 commission them for -- people would love to do -- many of
11 them would do it for free if you would ask them, many of
12 these kinds of people, because they do see what we're
13 doing as so important. That would help us a lot I think
14 because this is -- there is a lot of big stuff going on
15 here that has huge implications. And so that's a
16 suggestion.

17 CHAIRPERSON NICHOLS: Thank you.

18 BOARD MEMBER BALMES: I want to emphasize the
19 points that you've made, because Mr. Goldstene mentioned
20 that tight nexus and stated that it was only with regard
21 to mitigation of greenhouse gas emissions.

22 But as you correctly pointed out, at least the
23 last time I looked at AB 32, there were issues of equity
24 and reducing other pollutants.

25 So if we are going to do strategic thinking, it

1 has to be more than just on greenhouse gas mitigation
2 bills, but impacts of the policies that we put in place
3 because of AB 32 and our efforts to mitigate greenhouse
4 gases.

5 CHAIRPERSON NICHOLS: Well, given the realities
6 of budgeting and the State government these days,
7 everything we do is going to have to serve multiple
8 purposes. They're not going to be creating new programs
9 with only one focus. It's going to have to be things that
10 connect existing programs with the future and show that we
11 can spend money in a cost effective way back to the issue
12 of the incentive programs. And one of the things that
13 everybody has agreed on is that before we go forth to try
14 to reauthorize the existing incentive programs, we have to
15 be able to demonstrate that we know how to spend money
16 well. We think we do and we think we have. But there's
17 always ways in which you can improve, too. So it's very
18 much on the agenda.

19 So thank you for those trenchant comments, all.

20 One more. Sorry.

21 BOARD MEMBER D'ADAMO: One more. On the point
22 that you made earlier about the oil industry, and it just
23 seems to me, especially with low carbon fuel standard
24 being so technical, when it comes before us, of course,
25 there's always the discussion about the challenge of

1 meeting the standard and alternatives that are available.
2 Just wondering what we can do in the mean time to kind of
3 get out in front on that issue to make it more apparent
4 about the alternatives that perhaps are more feasible and
5 progress that's been made prior to coming back before us
6 for a regulatory matter.

7 And I see here that we have on the agenda
8 biodiesel blend specifications. I know that there are
9 issues with staff resources in terms of evaluating some of
10 the alternatives that are out there and regulatory
11 challenges.

12 But is this something that could either be
13 calendared for a general discussion or have a symposium or
14 some way for us to get the information out there? Because
15 of course, the oil industry is going to take advantage of
16 the election and of higher fuel prices to be critical of
17 the regulation.

18 CHAIRPERSON NICHOLS: There was an interesting
19 report that was done a while back by the E3 organization
20 on the status of alternative fuels. I think it was
21 referenced the last time this matter came before the
22 Board, but we didn't exactly highlight it.

23 There are certainly other people that have been
24 looking at, as Professor Sperling said, some of the
25 progress that's already been made, even though it may not

1 be all that visible in terms of alternatives and potential
2 changes in formulations of fuels and so forth.

3 I don't know, Rich, if you've been thinking about
4 some possible way that we can put a focus on that?

5 DEPUTY EXECUTIVE OFFICER COREY: Yes, Chairman
6 Nichols.

7 Your reference first to E2's work, you're right,
8 is part of the work on the Low Carbon Fuel Standard
9 Advisory Panel. What they did was a survey a range of
10 about 240 biofuel companies in terms of the status of
11 fuels that were being produced or plan to be produced or
12 types of investments being attracted, including venture
13 capital in California was attracting pretty significant
14 dollars into California. And really the link to the
15 signal that the low carbon fuel standard was sending and
16 the importance of that message to continue.

17 Our view as we look -- I'm thinking about the
18 comments of several of the Board members as the
19 opportunities for fuels and for the reductions and kind of
20 the transformations that we've seen on the automotive
21 side, we see developing this vision as drawing from at
22 least in part the work E2 did. The question is going to
23 be: What are the levers and what are the opportunities
24 regulatory, incentive, and otherwise?

25 CHAIRPERSON NICHOLS: Well -- and I did get a

1 copy of the report. But I would agree with the
2 characterization it's pretty technical. And I mean, it
3 needs to be, of course. There has to be the base of fact.
4 But maybe there is a way to sort of take another look at
5 that and see whether there is some way that could be
6 turned into something that would be a little bit more
7 accessible to interested members of the public and get it
8 out there as well.

9 EXECUTIVE OFFICER GOLDSTONE: This is an issue of
10 fuels and the transformation of the whole industry that
11 has to be part of the vision discussions we're having. So
12 we'll make sure it gets integrated there. And we'll look
13 at other ways to get information out.

14 CHAIRPERSON NICHOLS: We'll look for further
15 discussion when this comes back to the Board.

16 Let's move on to the next item. We have a lot of
17 people here I know in connection with the next two items.
18 Let's begin with the informational report on the draft
19 Sustainable Community Strategies for the Southern
20 California Association of Governments. As I think most
21 people know, under SB 375, a sustainable community
22 strategy to reduce greenhouse gases is now a required
23 element for regional transportation plans around the state
24 of California. And the SCAG region represents about half
25 of the state's population as well as a significant engine

1 of the California economy. It also happens to be where I
2 live, so I have a special fondness for it.

3 But I want to say that I think that the process
4 that has been undertaken there for building consensus on a
5 regional plan among the 200 or so jurisdictions that are
6 part of SCAG is unlike anything I've ever seen in the
7 region. I was really privileged along with several other
8 of my fellow Board members to see some of this in action
9 when we held a workshop in conjunction with a SCAG meeting
10 and heard from a number of members of the public who had
11 ideas about ways in which the plan could be improved or
12 strengthened but overall were very enthusiastic about the
13 process and about the product as well. So it's really
14 gratifying to be in this situation.

15 Obviously, it's a challenge to address the
16 transportation and housing needs of a region of this size
17 while taking into account all of the various other
18 competing goals, including economic development and
19 environmental protection, as well as health and social
20 equity.

21 And I can't say that we'll ever be perfect, but
22 it does appear as though a significant step has been made
23 in the right direction.

24 This draft strategy that's up for discussion here
25 today is the first Sustainable Community Strategy that

1 this region has attempted. And it was designed to meet
2 the greenhouse gas reduction target that our Board set.
3 So it's a great pleasure to see that the targets are being
4 met according to the plan and exceeded in fact and that
5 improved transportation and land use planning can, indeed,
6 be an important complement, as we always hoped and thought
7 should be the case, to our advanced clean car and fuels
8 regulations.

9 So the primary focus of the staff's report is to
10 review the greenhouse gas quantification in the strategy,
11 but it also I think gives us an opportunity to hear some
12 comments on the broader planning goals, including air
13 quality and public health as well as to hear -- I believe
14 we will be -- on environmental justice considerations as
15 well.

16 So with that, before we launch into the staff
17 presentation, I would invite Board members who have been
18 involved -- in particular, I guess I would like to ask
19 Mayor Loveridge since he sits on both the SCAG and South
20 Coast Air District Boards and have been engaged activity
21 in the process if you'd like to say a few words.

22 BOARD MEMBER LOVERIDGE: I think often we go
23 through plans and require it and heard them and accept
24 them and go on with life.

25 I think I've been involved now some 30 years in

1 this kind of effort in Southern California. And what is
2 before us, it's also connected with the Regional
3 Transportation Plan and to some extent the Air Quality
4 Management Plan. This is really an historic effort by
5 Southern California to try to think about a whole variety
6 of questions of urban form and transportation and housing
7 and environmental quality and social justice.

8 It is, as you said, Chairman, it's not a perfect
9 plan, but it is the best that I've ever seen. And it's
10 not because we're meeting technical requirements, but
11 because of the kind of collaboration that was done not
12 only with the public sector but with the private sector
13 and the nonprofit sector. Hasan mentioned how many miles
14 he put on his car. I think he's on his second car as he's
15 moved around Southern California.

16 But it is a striking -- Southern California: 19
17 million people; over 180 cities; six counties; these
18 virtually autonomous transportation commissions; areas
19 that somehow don't really identify with other areas. It
20 is not easy.

21 And I think you remember the first efforts we had
22 talking about this, the attention that was here. I don't
23 know how many trips Lynn Terry has made down.

24 I guess if I could say: One, this is an historic
25 effort in my view, the best in Southern California. And I

1 think it just didn't happen because people thought it was
2 a good idea. You'll hear and meet the leadership of SCAG
3 led by Pam O'Connor. Electives were very, very important
4 in this kind of collaborative coming together. And I
5 think if Southern California has a hero of the year award,
6 I would give it to Hasan for his really extraordinary
7 collaboration.

8 CHAIRPERSON NICHOLS: Well, thank you for that
9 introduction.

10 And I guess without further ado, I'll turn it
11 over to the staff to make their report.

12 EXECUTIVE OFFICER GOLDSTONE: Thank you, Chairman
13 Nichols.

14 Staff's presentation is going to discuss our
15 evaluation of the greenhouse gas emission accounting and
16 SCAG's draft plan.

17 Yesterday, at the joint meeting of the SCAG
18 Regional Counsel and its policy committees, SCAG staff was
19 directed to proceed with the final draft. The next step
20 is SCAG's consideration of the Final Regional
21 Transportation Plan and Sustainable Community Strategy on
22 April 5th.

23 ARB staff has closely followed the development of
24 the SCS and reviewed it using the general approach
25 outlined in our July 2011 methodology document. SCAG

1 staff worked hard to provide all the data and modeling
2 runs needed for our review, which we greatly appreciate.

3 They've been excellent to work with, and they've
4 made it possible for us to evaluate their work on a
5 parallel track.

6 ARB staff review of the draft plan found that the
7 greenhouse gas reduction target set by the Board will be
8 met, so we concur with SCAG's determination on this. Once
9 SCAG approved a final plan, staff will confirm that the
10 target would be met based on the final plan and then
11 complete our administrative process.

12 I'll now turn the presentation over to Terry
13 Roberts of our Air Quality and Transportation Planning
14 Branch. She'll give the staff presentation. Terry.

15 (Whereupon the following slide show presentation
16 was made as follows.)

17 MS. ROBERTS: Thank you, Mr. Goldstene. Thank
18 you, Chairman Nichols and members of the Board.

19 To begin this presentation, I will provide a
20 brief overview of the status of SB 375 implementation. I
21 will also summarize the key elements of the Sustainable
22 Communities Strategy for the Southern California region
23 and describe how the region proposes to meet the
24 greenhouse gas reduction targets set by the Board.

25 I'll conclude with the results of staff's

1 technical review of SCAG's plan and identify the next
2 steps in the process.

3 --o0o--

4 MS. ROBERTS: The first SB 375 milestone was
5 completed in September of 2010, when the Board adopted the
6 regional targets. These targets were defined as a percent
7 per capita reduction in greenhouse gas emissions from
8 passenger vehicles for the years 2020 and 2035 from a base
9 year of 2005.

10 --o0o--

11 MS. ROBERTS: In July of 2011, staff released a
12 document describing the general approach for reviewing the
13 quantification of greenhouse gas emissions in a
14 Sustainable Communities Strategy, or SCS.

15 Last September, staff reported on the San Diego
16 region's Sustainable Communities Strategy. Today, you
17 will hear reports on our reviews of two additional plans,
18 first for Southern California and then for the Sacramento
19 region. Both of these plans will be considered for
20 adoption next month.

21 --o0o--

22 MS. ROBERTS: Before describing staff's technical
23 review of SCAG's greenhouse gas quantification, I'd like
24 to provide some context about the region we're discussing
25 today.

1 SCAG is home to half of the state's population
2 and is the source of almost half of California's passenger
3 vehicle emissions. Southern California is also a
4 significant economic engine for the state. The region
5 covers six counties and 191 cities. It's a region of
6 diversity and contrasts from Hollywood to the farm fields
7 of Ventura, from Disneyland to the Joshua Tree National
8 Park, and from the Malibu coast to the San Bernardino
9 mountains.

10 --o0o--

11 MS. ROBERTS: Regional discussions about
12 sustainable planning go back to development of the 2004
13 growth vision report, which included sustainability among
14 its guiding principles.

15 In 2008, SCAG prepared a regional comprehensive
16 plan that calls for better integration of transportation
17 and land use with issues such as housing, energy, water,
18 wildlife habitat, the economy, and education.

19 During this time, SCAG also engaged local
20 governments to incorporate sustainability into land use
21 and transportation projects through its Compass Blueprint
22 Program. And through the Compass Blueprint Demonstration
23 Project, SCAG has provided over \$10 million in grants to
24 local governments since the program's inception in 2005.

25 The next couple of slides illustrate examples of

1 community level planning in the SCAG region, which are
2 consistent with the regional goals and the goals of SB
3 375.

4 This slide depicts a few transit-oriented
5 strategies that integrate mixed land use with public
6 transportation.

7 In Long Beach, the new transit-oriented
8 development is being built along the existing metro bus
9 line on Long Beach Boulevard.

10 --o0o--

11 MS. ROBERTS: In Fullerton, they have a plan to
12 create a sustainable transit-oriented development near the
13 Fullerton Train Station, which currently serves 3,000
14 passengers a day.

15 In San Bernardino, construction is underway on a
16 15-mile long bus rapid transit corridor through the San
17 Bernardino Valley, connecting the City of San Bernardino
18 to Loma Linda.

19 --o0o--

20 MS. ROBERTS: Revitalization of existing
21 communities is also an important component of SCAG's plan.
22 These types of development provide for mixed uses in a
23 pedestrian-friendly environment, while maintaining
24 historic character.

25 Here, the slide shows just two examples, El

1 Centro in Imperial County and Temecula in Riverside
2 County.

3 --o0o--

4 MS. ROBERTS: I will now talk a bit about SCAG's
5 Draft Regional Transportation Plan and Sustainable
6 Communities Strategy.

7 --o0o--

8 MS. ROBERTS: SCAG's two-year effort to develop
9 this draft Regional Transportation Plan and Sustainable
10 Communities Strategy included an extensive public outreach
11 process with dozens of workshops, hearing, and forums.
12 This process was built on local government and stakeholder
13 input, with the participation of staff from all six
14 counties and 191 cities.

15 --o0o--

16 MS. ROBERTS: SCAG developed several alternative
17 scenarios to begin a public discussion about the future of
18 the region. Several plan alternatives emerged, and the
19 SCAG Board selected a preferred plan that met regional
20 goals and encouraged the region to grow more sustainably.

21 As part of the draft plan, SCAG published 22
22 separate appendices that provide detailed information and
23 analysis on subjects including, the regional growth
24 forecast, transportation finance, goods movement,
25 transportation safety, performance measures, active

1 transportation, and environmental justice.

2 --o0o--

3 MS. ROBERTS: As required by federal law, SCAG
4 prepared an environmental justice analysis of the impact
5 of its plan. Within the EJ component, SCAG developed
6 eleven performance measures that were used to evaluate the
7 plan's social equity impacts.

8 SCAG developed a toolbox of potential mitigation
9 measures for use by project proponents, local governments,
10 and air districts, to address the potential impacts to EJ
11 communities. The analysis recognized gentrification will
12 continue to be an issue in the region and references the
13 need for future research to monitor and analyze population
14 trends.

15 It also identifies the need for new indicators
16 and data at increasingly refined geographic levels.

17 --o0o--

18 MS. ROBERTS: The population of the SCAG region
19 is expected to increase by four million by 2035. That's a
20 20 percent increase from today.

21 This growth forecast is the starting point for
22 understanding the transportation and land use strategies
23 in SCAG's plan and how SCAG proposes to accommodate
24 expected growth.

25 --o0o--

1 MS. ROBERTS: One way the region proposes to
2 address the population growth can be illustrated using
3 maps showing populated areas of 500 persons or more per
4 square mile. This map shows the region in 2008.

5 --o0o--

6 MS. ROBERTS: You'll see here in the dark blue
7 shows the modest expansion of the regional footprint in
8 2035 reflecting the population increase of four million.

9 --o0o--

10 MS. ROBERTS: Next I'll go into some of the
11 features of the SCS that make this more compact
12 development pattern possible, chiefly by integrating land
13 use and transportation strategies that encourage smart
14 growth.

15 --o0o--

16 MS. ROBERTS: The SCS encourages housing and job
17 growth in areas that are more accessible to transit. As a
18 result, SCAG expects a number of changes will occur
19 through much of the urbanized portion of the region,
20 including, multi-family development becomes more
21 predominant and more jobs and housing are located close to
22 high quality transit.

23 --o0o--

24 MS. ROBERTS: Some of the transportation-related
25 outcomes include: Neighborhoods become better served by

1 bike and walk infrastructure and transit service areas
2 expand, making transit and biking viable options to
3 driving.

4 Distances between home and work are shortened,
5 reducing auto trip lengths.

6 Also as a result of the plan, SCAG expects
7 additional benefits to accrue. Lifestyles are healthier
8 and communities more livable and more open space can be
9 retained for the enjoyment and use of people living in the
10 region.

11 --o0o--

12 MS. ROBERTS: SCAG's plan estimates that more
13 compact development within high quality transit areas will
14 mean that a little over two-thirds of new housing will be
15 multi family units. This includes town homes, condos, and
16 apartments. This means that over time, the total housing
17 stock will begin to shift more towards multi-family.

18 --o0o--

19 MS. ROBERTS: SCAG's plan focuses on greater
20 transit accessibility. This will result in more high
21 quality transit areas, defined by both geography and
22 service frequency. These are areas within one half mile
23 of a transit corridor or transit station that has 15
24 minute headways during peak hours.

25 This plan calls for expansion of the existing bus

1 and bus rapid transit network and increased service
2 frequency on the most heavily used routes.

3 SCAG's goal is for over half of all new homes and
4 jobs to be located in these high quality transit areas.
5 The next two graphics show the expansion of these areas.

6 --o0o--

7 MS. ROBERTS: This map shows the location of high
8 quality transit areas in 2008. Now compare this to the --

9 --o0o--

10 MS. ROBERTS: -- extent of high quality transit
11 areas in 2035.

12 These areas provide opportunities for in-fill
13 development. And as these areas expand, transit will be
14 brought within reach of existing homes and businesses,
15 too.

16 --o0o--

17 MS. ROBERTS: The plan includes important new
18 investments in rail and active transportation by walking
19 or biking. To provide mobility options that compliment
20 the transit network, the plan includes additional
21 investments in passenger rail, including the L.A. Metro
22 lightrail and Metrolink computer rail.

23 The plan would also expand infrastructure for
24 biking and walking, helping to improve accessibility to
25 transit. The following series of slides illustrate the

1 region's investment in passenger rail.

2 --o0o--

3 MS. ROBERTS: In 1990, the SCAG region didn't
4 really have a rail network. But about that same time, the
5 SCAG Board made a commitment to develop a passenger rail
6 system. And within 20 years --

7 --o0o--

8 MS. ROBERTS: -- the region had a well
9 established system, as shown here.

10 --o0o--

11 MS. ROBERTS: By 2035, continued investment is
12 expected to result in a work that looks like this, one in
13 which rail extends to the high desert in northern Los
14 Angeles County, into Riverside, and San Bernardino
15 Counties, and increases service in the greater Los Angeles
16 region.

17 --o0o--

18 MS. ROBERTS: I will now summarize ARB staff's
19 review of the SCS.

20 --o0o--

21 MS. ROBERTS: ARB's review of an SCS focuses on
22 the accounting of greenhouse gas emission reductions as
23 described in our July technical methodology paper. We
24 look at four key components of an MPO's travel demand
25 modeling system. These components include the technical

1 tools and methodology, data inputs and assumptions, model
2 sensitivity analyses, and performance indicators. Each is
3 critical to understanding how the MPO quantified the
4 greenhouse gas reduction in the SCS. The methodology
5 outlines our general approach, but staff's evaluation is
6 tailored to each region.

7 --o0o--

8 MS. ROBERTS: ARB staff reviewed SCAG's model
9 documentation and the analyses that SCAG performed to
10 quantify greenhouse gas emissions. Using available
11 empirical literature, ARB staff evaluated several key
12 modeled outputs or indicators from SCAG's modeling
13 approach to confirm they were consistent with the
14 literature and SCAG's calculation of greenhouse gas
15 reductions. SCAG's documentation supports its
16 determination that the SCS would meet the targets.

17 --o0o--

18 MS. ROBERTS: One of the performance indicators
19 we examined was how the mix of housing types changes over
20 time.

21 To accommodate more compact development, we would
22 expect to see an increase in the number of multi-family
23 housing units in the region. The empirical literature
24 shows that increased density leads to emission reductions.
25 And more multi-family development in the region means more

1 density over time.

2 SCAG's model and supporting analyses indicate
3 that the proportion of multi-family units to single family
4 units does, in fact, change over time. By 2020, about
5 half of all new housing units will be multi-family. And
6 by 2035, that statistic grows to about two-thirds.

7 Another performance indicator we looked at
8 focuses on the change in housing within high quality
9 transit areas.

10 Our review of SCAG's analyses show that the
11 proportion of homes within high quality transit areas will
12 increase from 40 percent to 51 percent, between 2008 and
13 2035.

14 --o0o--

15 MS. ROBERTS: And the proportion of jobs within
16 these high quality transit areas will also increase, from
17 49 to 52 percent between 2008 and 2035. This increases
18 the opportunity to take transit as a means of getting to
19 work.

20 --o0o--

21 MS. ROBERTS: ARB staff also reviewed several
22 model outputs related to transportation performance. For
23 SCAG's mode share indicators, we expected to see a shift
24 in mode away from single occupant vehicles to reflect
25 SCAG's investments in transit and active transportation.

1 The empirical literature also supports this as a way to
2 reduce greenhouse gases.

3 Compared to 2005, in 2035, there are fewer drive
4 alone trips and more trips taken by biking and walking and
5 by transit. In addition, HOV lane use is projected to
6 increase.

7 --o0o--

8 MS. ROBERTS: Similarly, ARB staff reviewed the
9 SCS quantification analyses to see how average trip length
10 changed as a result of the more compact land use pattern
11 assumed for the region. SCAG's analysis shows the
12 expected decrease in average trip length across the
13 region. If we apply this shorter trip length to trips in
14 the region, it would result in an eight percent decrease
15 in regional vehicle miles traveled in 2035.

16 --o0o--

17 MS. ROBERTS: The last indicator I will discuss
18 is per capita vehicle miles traveled, or VMT. Because of
19 the well-established relationship between VMT and CO2
20 emissions and the empirical literature, ARB staff
21 evaluated how per capita VMT changes as a result of the
22 SCS. As expected, modeled VMT goes down, consistent with
23 SCAG's reported decline in per capita CO2 emissions to
24 meet the greenhouse gas targets. This per capita
25 reduction in VMT is the result of the combined effects of

1 SCS strategies, including more multi-family development,
2 more development near transit, and greater use of biking
3 and transit.

4 --o0o--

5 MS. ROBERTS: SCAG's draft SCS reports continuing
6 reductions in greenhouse gas emissions through 2035. This
7 table shows the targets set by the Board and how SCAG's
8 plan achieves them.

9 In 2020, SCAG estimates an eight percent
10 reduction, which matches the target we set. And in 2035,
11 SCAG estimates a 16 percent reduction, which exceeds the
12 target by three percent.

13 --o0o--

14 MS. ROBERTS: What happens after today? The SCAG
15 Regional Council is scheduled to take action on a Final
16 Regional Transportation Plan and Sustainable Communities
17 Strategies at its April 4th meeting.

18 Once the SCS is adopted as a final document, SCAG
19 will submit it to ARB with their quantification of
20 greenhouse gas emissions. And should the final SCS differ
21 from the draft SCS, we would evaluate the changes to see
22 if they have any effect on the greenhouse gas
23 quantification.

24 ARB's final action will be the issuance of an
25 Executive Order by the Executive Officer to either accept

1 or reject SCAG's greenhouse gas quantification.

2 And that concludes my presentation. Thank you.

3 And I don't see James here, but I'll turn it back

4 CHAIRPERSON NICHOLS: Thank you, Terry.

5 Do we have any further staff report? I don't
6 think so.

7 So we may as well just turn to the public then,
8 and we will begin with the President of SCAG, Pam
9 O'Connor. Welcome.

10 MS. O'CONNOR: Good morning, Chair Nichols and
11 Board members. And thank you very much for the
12 opportunity for us to be here today to tell you a bit more
13 about our plan.

14 My name is Pam O'Connor. I'm a council member
15 from the City of Santa Monica. And it's a pleasure today
16 to be here representing Southern California Association of
17 Governments as their President.

18 SCAG, as you know, is the largest MPO,
19 Metropolitan Planning Organization, in the nation,
20 representing 18 million people, 191 cities, and six
21 counties. And I also, by the way, service as the Board
22 member on L.A. County Metro and Chair their Sustainability
23 Committee. I'm very happy and pleased to do that.

24 I'd also like to today introduce my fellow SCAG
25 officers who are here today. And we have Glenn Beccera,

1 who's the first Vice President of SCAG, incoming
2 President. We have Greg Pettis, Second Vice President of
3 SCAG; and Larry McCallon, our Past President. And you'll
4 be able to hear from them in a moment.

5 As you've heard, for the past two years, SCAG has
6 led an unprecedented outreach effort throughout Southern
7 California in the development of the plan that is before
8 you today. We've met personally with almost every city
9 and county in the region, hosted nearly 30 data gathering
10 and planning workshops, and 40 Technical Committee
11 meetings.

12 Additionally, the elected officials that serve on
13 SCAG have convened over 40 Regional Council, Joint Policy
14 Committee, Policy Committee, and Subcommittee meetings and
15 workshops over that time.

16 Again, we are here today because that effort --
17 that unprecedented effort has resulted in our first
18 Sustainable Communities Strategy for our Southern
19 California Association of Governments region.

20 Now, take a moment. We have a very brief video
21 for you that's going to highlight the plan and its
22 benefits. So now I get to say roll that tape.

23 (Whereupon a video presentation was made.)

24 CHAIRPERSON NICHOLS: Very good

25 MS. O'CONNOR: I love that last kid, "Let's get

1 to work." And we hope you found the video informative.
2 And as he said, "Let's get to work." This has been a
3 product of our cities working with key stakeholders,
4 building new relationships, productive relationship
5 throughout our region as we work together to make what I
6 believe is great progress in Southern California, both
7 explaining what sustainability is, as well as how to
8 implement it, how to get it to work, how to make it
9 happen.

10 But we couldn't have accomplished where we are
11 now without the support of your Air Resources Board
12 leadership, both at the staff and their support coming to
13 our region and helping us.

14 Your funding by the way for to Three Compass
15 Projects was outstanding and an indication of what great
16 partners who run with our cities.

17 In addition to Compass, by the way, SCAG is also
18 launching the Green Regions Initiative and Local
19 Assistance Program to help with the Sustainable
20 Communities Strategy implementation in our area. The
21 2012-2035 RTP SCS plan before you today exceeds the
22 greenhouse gas emission reduction goals we've set for our
23 region 9 percent the 2020 and 16 percent in 2035. You set
24 that. You know that. But I think it really bears
25 repeating. And we're very proud of that.

1 I'd like to for now introduce our First Vice
2 President Glenn Becerra to speak to you for a brief
3 moment. Glenn.

4 MR. BECERRA: Pam would tell you there is no such
5 thing as a brief moment when I get a mike. But I will do
6 my best.

7 Chair Nichols and Board members, it's, indeed, an
8 honor today to be with you. As Pam mentioned, I'm the
9 incoming President for SCAG. I'm also a City Council
10 member in the city of Simi Valley. I'm also a former
11 co-worker of Mr. De La Torre's and a big fan of Mayor
12 Loveridge. And I can go on and on.

13 But what I'm here today to talk to you about is
14 about this plan and why we think you should be supportive
15 of it. This plan has come together with a coalition I
16 think unlike any other. We had business and
17 environmentalists. We had labor and electeds and
18 residents from all across this very, very diverse
19 territory working collaboratively to try to come up with a
20 workable solution. I think what they found is by all of
21 us giving and asking, we were able to come to what you
22 have before you, which I think is really historic.

23 You know, it's interesting because I think we
24 started off from a place that says why are we doing this,
25 you know, from some corners and some people saying why

1 haven't we done this a long time ago. When you start with
2 these two dynamics, you can imagine what it took to get us
3 to a place where we are today that actually all of these
4 groups are coming together to support it. And it was a
5 lot to do with the Hasan driving around the lot. Probably
6 wasn't the most environmentally friendly thing to do. But
7 in the long term, it accomplished its goal. Pam's
8 leadership was incredible and all of the Board members. I
9 mean, you imagine people from Orange County supporting
10 people from Imperial, from Ventura County supporting San
11 Bernardino. It was critical. And I think again the
12 product here is extraordinary.

13 One of the things to remember though is that
14 there was great work being done before this happened. In
15 my county, we had an initiative called SORE where we set
16 aside open space for both agricultural and open space
17 benefit to lock those in to make sure that they were there
18 for the future. In Simi Valley, some would argue it's a
19 very conservative portion, a little conservative town in
20 our community, but we've had a Sustainable Committee for a
21 number of years now where we've implemented sustainable
22 strategies in our community and into our General Plan,
23 which we are going through right now. If it can happen in
24 our town, it can happen anywhere.

25 And I would always argue I don't care why you

1 want to save that tree, if you want to save it because you
2 like to hug it or if you want to save it because it's
3 beautiful or because it provides shade and saves you money
4 on your air conditioning bill, it doesn't matter to me.
5 The point is it's the right thing to do. When you do
6 things for the right reason, the benefits are really
7 immeasurable.

8 I would end by saying we talk a lot about health.
9 And obviously, that's one of the huge benefits here is
10 health. And the last time I stood before you, one of you
11 had mentioned you --

12 CHAIRPERSON NICHOLS: That was your time.

13 MR. BECERRA: I will wrap this up by saying one
14 of you mentioned the health benefits of doing good plans.
15 I would argue this plan is a balanced approach and that we
16 not forget that health comes in many fashions. It comes
17 from clean air, clean water, great communities. It also
18 comes from people that are employed. So we have to always
19 focus on a balance so we can put people back to work.
20 Obviously, we're coming out of a horrible economic
21 situation in the state, in this country, that impacted
22 economies around the world. And putting our people back
23 to work is critical, because that's ultimately what will
24 pay for all these plans that we are putting into place.
25 So I would ask you to keep that in mind as well, and I

1 thank you for your support.

2 CHAIRPERSON NICHOLS: Thank you.

3 Mr. Pettis. Are you doing the intro here?

4 MR. PETTIS: Next we have Greg Pettis. Greg is
5 our Second Vice President and Council Member for Cathedral
6 City.

7 MR. PETTIS: Thank you, Pam. Thank you, Madam
8 Chairman.

9 In addition to being a counsel member in
10 Cathedral City, I serve on the Riverside County
11 Transportation Commission. Riverside County, as you know,
12 is one of the most highly impacted in air quality in our
13 region. We are very supportive of this plan. This will
14 take a huge step forward in cleaning up the air in
15 Southern California and making it a better place for all
16 of us. I know we have a lot of people to listen to today.
17 So I'm going to sit down right now. But thank you very
18 much for having us.

19 CHAIRPERSON NICHOLS: Thank you.

20 MS. O'CONNOR: The last of our Board officers
21 here is Larry McCallon, Council member from North
22 Highland, our Past President of SCAG, and also the current
23 President of the San Bernardino Association of
24 Governments.

25 MR. MC CALLON: Thank you, Pam.

1 Good morning, Chair Nichols and Board members.

2 Year-and-a-half ago, I stood before you as the
3 President of SCAG during the target-setting process, and I
4 told you at that time that the numbers didn't matter
5 because what we were going to do in Southern California is
6 do the best we could to achieve whatever targets you put
7 before us. And I think the plan today shows that we've
8 more than achieved those targets.

9 And over the last year and a half, this is my
10 third time before you. And in my spare time, I'm the
11 mayor of the City of Highland. Today, I'm here to speak
12 to you as the President of the San Bernardino Association
13 of Governments, which is the County Transportation
14 Commission. And I want to say that we strongly support
15 the SCAG Sustainable Communities Strategy that is before
16 you today.

17 For the last two years, we in San Bernardino have
18 worked closely and collaboratively in our county and
19 throughout the region developing this Sustainable
20 Communities Strategy that is before you today. It's
21 important to note that this is a bottoms-up approach.
22 What our jurisdictions want to do has been presented here
23 in this. It's nothing that SCAG has said you must do.
24 It's what they want to do and it supports the targets. So
25 it's truly a collaborative effort throughout the SCAG

1 region.

2 I'm proud of the work that we have accomplished
3 to produce this plan. It not only exceeds the targets
4 that you set forth, but it provides a clear direction on
5 how the region can grow in a healthy and positive
6 direction.

7 I also want to thank the CARB for your
8 partnership in our Compass Blueprint Program. It's a very
9 important program that all of us have been involved in.

10 I also want to thank all of our partners that
11 came together on this SCS: Our business community, the
12 environmental community, our health organizations have all
13 had input into this plan and have made it better. And
14 everyone that I know of supports it.

15 So I urge you that you accept this plan, and I'll
16 make a commitment for our Board. It's important to have
17 the plan, but if you don't implement it, it means nothing.
18 So we are committed to implementing it. And that's the
19 next step: Approve the plan and we will commit to
20 implement it. Thank you very much.

21 CHAIRPERSON NICHOLS: Thank you. I think we'll
22 probably hold questions unless you really have one you
23 want to do right this minute. Okay. Got a question here.

24 MS. O'CONNOR: How about I do my close and we'll
25 turn our answer guy over to you.

1 Just in closing, together with the Board offices
2 here and on behalf of the 191 cities and six counties in
3 the SCAG region, we hope that you will make the finding
4 that we have met the greenhouse gas reduction targets and
5 approve our SCS plan.

6 And importantly, we look forward to working with
7 you and your continued support as we implement the plan.
8 So thanks for allowing us to speak today.

9 And as Mayor Loveridge noted, who I think is the
10 Southern California hero of the year, our Executive
11 Director of SCAG Hasan Ikhata, is also here. If any of
12 your questions are technical, he'll be able to help you
13 help us all answer them. So thank you. And thank you all
14 for your support.

15 CHAIRPERSON NICHOLS: Thank you very much. That
16 was a well coordinated presentation. I know we have a
17 bunch of people who are here to add their voice and have
18 specific comments. We did have one Board question at the
19 outset.

20 BOARD MEMBER SPERLING: It's specifically for
21 SCAG. And that is it really is extraordinary what's
22 happened over the last few years with SCAG and the
23 leadership is to be commended. And it looks like a very
24 good plan.

25 But just I have a question. Just to ground this,

1 you know, the L.A. area pioneered car-centric living in
2 cities worldwide. It's been the leader in that sense.
3 And so, you know, all these improvements are very
4 impressive, but they're coming from a base line that's not
5 very impressive.

6 And so the question is: What more can we, ARB,
7 do to support SCAG and the cities in moving forward, other
8 than a small amount of money for Compass Blueprint
9 Projects.

10 MR. IKHRATA: Thank you. That's an excellent
11 question. Other than writing a check, let me think.

12 You know, I think it's important to mention that
13 in this SCAG region, 75 percent of all funding is locally
14 generated. So it's not about money. Actually, it's about
15 giving us the mechanisms to be able to do what this plan
16 says we're going to do. We are talking about projects
17 that's been delayed just simply because we need to do
18 something that we could have done much faster and much
19 better given the State rules and regulations.

20 We tried to do, for example, public/private
21 design and build stuff. That's not easily done. Projects
22 being stopped for very serious stuff.

23 So what can the Air Resources Board do? Help us
24 streamline process. Not bypass any processes. Not bypass
25 CEQA or -- but streamline it so we can move and implement

1 this plan faster.

2 And also to be fair to the region, there is a lot
3 of things in this plan depend and incentivizing local
4 cities who are financially struggling, especially after
5 the redevelopment debate. Incentivizing them to do the
6 right thing. They want to do the right thing. But they
7 don't have the resources to do it. How do we, as a state,
8 actually make this real by incentivizing them because they
9 want to do it.

10 And actually the things that you talked about LA
11 being vehicle-centric and obviously the base line is
12 difficult, I can tell you, there is a desire on the part
13 of the region to do things to provide alternatives. And I
14 believe the energy cost and the housing cost is pointing
15 to the fact this region is ready to change. We just need
16 to incentivize people who are in charge to make that
17 change go faster.

18 CHAIRPERSON NICHOLS: Not to speak on behalf of
19 SCAG, which nobody invited me to do. But I just want to
20 comment on one aspect of all of this, which is that as
21 Mayor Loveridge said, this is a triumph in terms of the
22 planning process itself and the kind of process that went
23 into it.

24 It's also, at least in my experience, the
25 strongest step taken from the grassroots up in the

1 direction of regional work that I've ever seen in the
2 region. And I think it is important. And we keep saying
3 how big SCAG is. But San Bernardino County alone is
4 bigger than many countries. It's bigger than quite a few
5 states in the United States. We're talking about a region
6 that is vast. So the idea that it's car-centric, though
7 it's true, I think that's more in some instances what you
8 would say about the entire set of states in some parts of
9 the country. We don't have all the backbone
10 infrastructure that's needed to replace the cars.

11 And yet, I do think that there is a commitment
12 here using locally-generated funds in most instances to
13 really try to make a move in that direction of making it
14 easier for people. But many of these steps are very
15 localized.

16 That was why I was impressed by Larry McCallon's
17 comment about the fact this was put together -- stitched
18 together from many, many local inputs because it's
19 balancing between those desires of people in their actual
20 local communities and the needs of the region as a whole
21 that's really the toughest thing I think to bring about
22 here. So --

23 MR. IKHRATA: Totally agree, madam Chairman.

24 BOARD MEMBER SHERRIFFS: Can I?

25 CHAIRPERSON NICHOLS: Yes, Dr. Sheriffs.

1 BOARD MEMBER SHERRIFFS: I'd like to ask that
2 question in a little different way. But coming from the
3 San Joaquin Valley, I'm very interested in this process
4 and very encouraged that you're able to put together such
5 a terrific plan and exceed the goals, because the Central
6 Valley is certainly very complicated as well and is
7 struggling, wrestling with these issues.

8 On the issue of implementation, what do you see
9 as the biggest challenge, the biggest piece of this to
10 implement? It was hard enough to wrestle a plan together.
11 Now what's going to be the toughest challenge for
12 implementation?

13 MR. IKHRATA: Well, let me just say that the fact
14 that our biggest county, Los Angeles County, in 2008,
15 passed the half a cent sales tax which will bring \$40
16 billion to the mix, 30 billion will be spent for transit
17 helped a lot.

18 The biggest challenge in my view in making this
19 real is incentivizing people in charge of land use to do
20 the right thing, at least the cities and the counties who
21 do not have the funding resources, they want to do it but
22 they don't have the resources to do it. So if we are able
23 to provide, not only just money, but streamline the
24 processes for them to move forward and provide -- I mean,
25 taking advantage of the CEQA streamlining that's in the

1 bill. Giving cities opportunities to actually go back and
2 re-look at their cities and look at the opportunities
3 available. And additionally, education about the future
4 because the future is very different than the past. It is
5 one of the things we can do.

6 But the biggest challenge right now is actually
7 providing the resources to the entities that are in charge
8 of doing this, putting it in the ground.

9 CHAIRPERSON NICHOLS: And this is where once
10 again back to the comments that Dr. Sperling was making
11 earlier where although ARB isn't in charge of writing the
12 checks, we definitely have an obligation to help try to
13 make the alignment of funding come together with our other
14 policy goals as well in every way we possibly can.

15 BOARD MEMBER BERG: Chairman Nichols, could I
16 just ask one follow-up question?

17 I, too, want to congratulate you. I do live in
18 Southern California and know the diversity. I'd just like
19 to further extend the conversation to behavior. Are we
20 hoping that we will build it; they will come is the
21 philosophy? Or will there come a point where we're really
22 looking at the end user and their behavior to make it
23 attractive for them to actually walk?

24 I've had an opportunity the last six months to
25 live in a walkable community. But when I come back to my

1 home in Long Beach, I jump in my car. And it's
2 interesting really being in a mindset of a walkable
3 community versus something totally different. But I'll
4 tell you, it's hard to change. And so how are we thinking
5 about that?

6 MR. IKHRATA: Well, behavior is very complicated
7 and very hard to predict. But it is very hard to ask a
8 parent of a child and tell them why don't you talk your
9 kids to school or why don't you let your kids bike to
10 school, when as a parent, I would not let me daughter do
11 it because it's not safe. So how do I make routes to
12 school safer so actually parents -- as a matter of fact,
13 we hear a lot from parents in survey after another, "I
14 would love to do it, but it's not safe." And to make it
15 safe, we're investing a lot in roads. Let us make
16 complete roads and streets where it's safe and provide
17 choices for people.

18 I will tell you this, the fact in 2006-2008 the
19 first time in the history since we kept data at SCAG
20 actually absolute number VMT declined because of gas
21 prices. And now I will tell you gas price is not going to
22 go cheaper. And right now, it would be shame on us if we
23 don't provide opportunities for people and choices because
24 that becomes an economic issue as opposed to what we have
25 is very complicated. I do believe if we build the right

1 infrastructure for them to have these choices, they will
2 use it.

3 In city after another, that's been demonstrated
4 that people will take -- with the Metrolink system that
5 your staff showed you a map, we had no rail in 1990. In
6 20 years, we have done a lot of rail. And we went from
7 ridership of a thousand when it opened to 50,000 right
8 now. We just started an express service from San
9 Bernardino and Los Angeles, one train a day. If we have
10 the resources, people will take it. People are waiting
11 for these kinds of alternatives.

12 BOARD MEMBER BERG: Thank you very much.

13 CHAIRPERSON NICHOLS: One more.

14 BOARD MEMBER D'ADAMO: Well, I, too, want to
15 offer my congratulations. I'm in awe just looking at the
16 tasks before you and how you were able to pull the
17 stakeholders together. And congratulations. This is said
18 in the spirit of implementation moving forward and maybe
19 even thinking of next steps.

20 I think we're probably going to have some
21 testimony later today from some of the environment groups.
22 I did not follow the process that you went through
23 closely. So this is not meant to be critical, but again
24 just thinking in terms of implementation and moving
25 forward.

1 What do you think of the project-based
2 performance analysis? I understand that you chose not to
3 include it in the plan. Is there something short of that
4 that you will be able to implement on a project-by-project
5 basis? I understand that incentives are the key, but
6 sometimes it's helpful to have strong guidelines as well.

7 MR. IKHRATA: Sure. Well, you know, like
8 Chairwoman mentioned and many of you mentioned, this is
9 the first time we do a Sustainable Communities Strategy.
10 And in the process, we are learning and are learning how
11 to do performance evaluations. I believe project by
12 project evaluations should be done, but I'm not sure the
13 most appropriate place for it is in the Regional
14 Transportation Plan. It is in the next step of
15 implementing the project.

16 I also believe that -- this is something that we
17 need to kind of lesson learned. Every time we talk about
18 the future, some people says this is not the way we did it
19 20 years ago. You have to kind of make an extra effort to
20 demonstrate that really the future is different.

21 One statistic I guess I want to tell you is in
22 the last 20 years, we build 68 percent single-family homes
23 and 32 percent multi-family. In the next 20 years, we're
24 going to reverse that. In Orange County, 82 percent of
25 their housing is going to be multi-family. For that to

1 start evaluating infrastructure against that that, we're
2 not used to that. We haven't done that before. It's a
3 learning process. As we move forward, we're going to do
4 more project-specific evaluations, but we need to start
5 somewhere.

6 CHAIRPERSON NICHOLS: Okay. Thank you.

7 I think you're free, for now anyway. Thank you.

8 Okay. We're going to hear now from some of the
9 other MPO starting with the Steve Heminger from the
10 Metropolitan Transportation Commission.

11 MR. HEMINGER: Good morning, Madam Chair and
12 Board members.

13 And I must say, in this case, as much as it pains
14 me to stand here and tell you that L.A. did something
15 right, I'm afraid that's just what I'm here to do. I
16 won't make it a continuing practice, but I do urge you to
17 accept their determination. I don't have any hang-ups
18 about Sacramento, so go right ahead and give them a pass
19 as well.

20 I did want to return though to the question that
21 it sounds like is on a lot of your minds, and that's how
22 do we move from these plans to implementation. And I
23 think that is where we do need a new kind of partnership
24 with your Board and frankly with our state government.

25 As you were going forward to adopt the targets,

1 if you'll recall a couple years ago, the State Legislature
2 was busy diverting our public transit funding to balance
3 the budget. Now we were able since then to cauterize that
4 wound. But if we want to grow transit ridership, we have
5 to grow the resource to carry the riders as well. It's
6 not good enough just to stop it from declining.

7 Now that you're approving some of these plans and
8 our agencies are approving some of these plans, the
9 Legislature by repealing redevelopment law has taken away
10 one of the most effective tools. I know it's been subject
11 to some abuse, but one of the most effective tools that we
12 have to encourage transit oriented and infill development.
13 The SCS requirement in law is stapled onto the federal
14 requirement to adopt these plans, but our Congress now in
15 Washington is completely deadlocked about how to extend
16 our federal transportation program in a very fundamental
17 way.

18 So what all of that says to me is that we do need
19 a new partnership with you. I think Dr. Sperling said
20 something earlier about that you're not just a regulator
21 anymore. And I think this question of how we put in place
22 the right policy context so that these plans can succeed
23 so that we can realize the promise that these plans hold
24 is the most important question that will be before us.

25 So I look forward not only to the work that we

1 have done together as regions in trying to comply with
2 your requirements, but the work that I think we need to do
3 together, both a few blocks down the street as well as in
4 Washington, to put the right context in place so that we
5 can -- so that we can succeed on what I think is a very
6 strong foundation for reducing greenhouse gas emissions in
7 our state. Thank you very much.

8 CHAIRPERSON NICHOLS: Thank you.

9 Next we'll hear from the San Diego Association of
10 Governments, Jerome Stocks.

11 MR. STOCKS: Good morning, Madam Chair, members
12 of the Board. Pleasure to be here today.

13 I'm Jerome Stocks, the Mayor of the friendly city
14 of Encinitis in beautiful northern San Diego County and
15 Chairman of the Board of SANDAG.

16 Today, we are here to support our sister MPOs,
17 SCAG and SACOG as well.

18 We were here before you just a couple months ago,
19 and we were very pleased that we got our approvals. There
20 has been some unfortunate developments subsequent to that,
21 but that's our problem, not yours.

22 It is worth noting a number of SCAG's projects
23 also affect our San Diego region. We've coordinated and
24 cooperated to plan and implement those inter-regional
25 projects, such as Interstate 5, Interstate 15, the LOSSA

1 corridor, the second busiest rail corridor in the nation,
2 in fact, high speed rail and goods movement strategies.

3 This process, the SCS goal setting, et cetera,
4 process, has had some really nice benefits. The MPOs are
5 all working together and working closely with CARB from
6 the initial target-setting process through the approval of
7 these plans.

8 Importantly, these plans, like our own RTP and
9 SCS -- the plans you're going to review today and
10 hopefully approve are both, just like our RPT, meet the
11 goals that CARB has set. And that's very important. But
12 the part that's also important is that each of these plans
13 meet our goals in ways that makes sense for our region.
14 And that is a flexibility that is allowed under SB 375 and
15 that was a very wise thing.

16 So basically, I want to thank you for your time
17 today. We stand in solidarity with SCAG and SACOG. We
18 urge you to support these two plans. Thank you.

19 CHAIRPERSON NICHOLS: Thank you.

20 Next we hear from Mike McKeever.

21 MR. MCKEEVER: Thank you very much, Chair Nichols
22 and members of the Board.

23 You all know this obviously; what's going on in
24 the SCAG region is really extraordinary. And I think it
25 speaks to the transformative nature of these concepts and

1 the legislation that helped bring them forward and your
2 prior actions in setting targets that are challenging but
3 attainable. And I think their experience really speaks to
4 the fact that you really hit this sweet spot there pretty
5 precisely.

6 And you all know that showing courage and
7 leadership has a price. Of anybody in State government,
8 this Board exhibits that over and over and over. And
9 what's going on in Los Angeles is a really inspirational
10 example of that as well. And I'm just really happy here
11 today to get a little of that on me. Thank you.

12 CHAIRPERSON NICHOLS: Thank you. We'll be back
13 to talk to you a little later.

14 MR. MC KEEVER: I'm aware of that.

15 CHAIRPERSON NICHOLS: Okay. Tom Fellenz. Is he
16 here? Yes, he is. Okay.

17 MR. FELLEENZ: Chair Nichols and Board members,
18 pleasure to be here today to speak before you.

19 My name is Tom Fellenz. I'm the Chief Counsel
20 and acting CEO for the High Speed Rail Authority. And I'm
21 here to speak on behalf of the SCAG plan.

22 Without question, SCAG has been a leader in
23 ensuring future transportation systems are well planned
24 and environmentally sensitive from increased bike paths to
25 new more efficient systems delivered in a timely manner.

1 SCAG has been a consensus builder, bringing
2 together truly diverse constituencies to find common
3 ground.

4 Recently, the California High Speed Rail
5 Authority has been working closely with SCAG to develop a
6 plan to deliver high speed rail to Southern California in
7 a manner that would be beneficial to the region as well as
8 the state. And recently, we've been working to find
9 potential early investment projects that could provide
10 grade separations today, lay new groundwork for integrated
11 high speed rail in the future.

12 This collaboration has been absolutely vital to
13 ensuring all of Southern California's rail systems,
14 including high speed rail and interagency systems, are
15 planned and ultimately operate with synergy and
16 coordination to provide efficient mobility and land use.
17 So it's this kind of forward thinking and collaborative
18 leadership that's reflected in the RTP and SCS plan.

19 So I recommend that you approve this plan. And
20 I'd like to thank the SCAG Board members for their great
21 work on this plan. And also want to thank SCAG CEO Hasan
22 Ikhata who has played a critical role in this. So High
23 Speed Rail supports this plan and we encourage you to go
24 forward.

25 CHAIRPERSON NICHOLS: Thank you. Good to hear

1 from you.

2 Mark Baza.

3 MR. BAZA: Good morning, Madam Chair and Board.

4 I'm here to support the RTP SCS, and I'd like to
5 commend the SCAG team for all their support and
6 coordination with my region.

7 For those of us who have been in the
8 transportation business for many years, land use has been
9 a critical part of our efforts. But these goals have
10 taken us to another level. And staff at SCAG has done an
11 excellent job. We've had some support from your team with
12 Terry Roberts, and we appreciate all her efforts in that.
13 So, you know, the plan and SCS has definitely mobility and
14 economic benefits, but we're very proud of the help and
15 sustainability of this. Thank you.

16 CHAIRPERSON NICHOLS: Thank you.

17 Sarah Jepson.

18 MS. JEPSON: Good morning. Thank you for the
19 opportunity to speak today.

20 My name is Sarah Jepson. I'm the Sustainability
21 Policy Manager for the Los Angeles County Metropolitan
22 Transportation Authority, or Metro.

23 Metro's Committee on sustainability lead agencies
24 climate change planning efforts and have been actively
25 engaged in the development of the RTP and SCS as a member

1 of SCAG's Technical Committee for the RTP SCS.

2 I'm here as a representative of Metro to support
3 the approval of the SCS plan as submitted. The Metro
4 Board endorsed the SB 375 Greenhouse Gas Reduction Targets
5 that were established by this Board last February. And
6 our Board has championed many policies and projects to
7 reduce greenhouse gas emissions and create a more
8 sustainable transportation system in Los Angeles County
9 and in the region.

10 We are fortunate in Los Angeles County to have
11 had the support of our voters for local sales tax measures
12 which are allowing us to make the transportation
13 investments that will foster more sustainable communities.

14 Most significantly, as you heard, in 2008, L.A.
15 County voters approved Measure R, a half cent sales tax
16 that will fund twelve new transit projects in 30 years, if
17 not sooner. The SCS provides a road map for maximizing
18 the benefits of these transportation investments through
19 complimentary land use measures and transportation
20 policies.

21 The recommended growth scenario will result in
22 over twice as many households living near high quality
23 transit in the region, increasing the competitiveness of
24 our transit service, and reducing vehicle miles traveled.

25 Moving forward, Metro, with the leadership from

1 our Board Committee on sustainability, is committed to
2 working with SCAG and the sub-regions and cities in Los
3 Angeles County to implement this plan and to continue to
4 pursue studies, partnerships, and strategies that will
5 support our region in going even further in future SCSs.

6 We are particularly excited to be working with
7 SCAG on an active transportation study to better
8 understand and address the last final challenges to
9 accessing transit in the country.

10 We're also pleased to be initiating a county-wide
11 zero emissions truck collaborative to further address
12 emissions from goods movement through the promotion of new
13 technologies. And we're looking forward to continuing the
14 TOD planning grant program that our Board initiated last
15 year to support cities in making the land use changes that
16 will provide more opportunities for people and live and
17 work near transit.

18 Thanks for the opportunity to provide comments in
19 support of the SCS as drafted. We congratulate SCAG on
20 exceeding the greenhouse gas targets and look forward to
21 continued efforts to better integrate land use
22 transportation planning in the county to improve mobility
23 and enhance quality of life.

24 Thank you very much.

25 CHAIRPERSON NICHOLS: We have a question for you

1 before you leave.

2 BOARD MEMBER SPERLING: I'd like to issue a
3 challenge to you and the whole region. That is the
4 reality is that transit accounts for probably five percent
5 of passenger miles in the SCAG region. Even if you invest
6 lots of money, do a great job, maybe you'll get it up to
7 seven or eight percent.

8 What's really needed is a whole new way of
9 thinking about transportation, innovative mobility
10 service, using information technologies, communication
11 technologies. There is a lot of new companies getting
12 started that do this dynamic ride, smart car pooling,
13 peer-to-peer car sharing. There are a lot of ideas. So I
14 don't think I saw anything in the plan. I just read it
15 rather quickly. And I didn't hear anything. I have not
16 heard anything along those lines.

17 So you don't have to respond. But I would
18 suggest that that should be a high priority. And you can
19 come back to us and to the State in terms of how to
20 facilitate that as well.

21 MS. JEPSON: I would say certainly these are
22 issues the Ad Hoc Sustainability Committee does discuss
23 and we are looking and recognizing that transit doesn't
24 serve the whole region so how do we promote innovative
25 strategies that are going to help all of our communities.

1 We'll continue to work on that. Thank you.

2 CHAIRPERSON NICHOLS: Challenge accepted.

3 BOARD MEMBER SPERLING: We'll be checking back.

4 CHAIRPERSON NICHOLS: It's okay.

5 Elaine Chang from AQMD.

6 MS. CHANG: Good morning, Chair Nichols and
7 members of the Board.

8 It's my pleasure to be here. My name is Elaine
9 Chang, Deputy Executive Officer with the South Coast Air
10 Quality Management District.

11 This morning, I'm here also to support SCS
12 prepared by SCAG as the first round of the SCS
13 development. We do believe they also did outstanding job
14 reaching out to all stakeholders, including us.

15 As we move to the implementation phase, we will
16 ask the Board -- we believe you will -- continue to be
17 engaged, especially the areas of technical tool
18 development for SCS development, implementation, and
19 evaluation. Also the potential funding opportunities for
20 the region, especially in the implementation phase.

21 I will be remiss if I don't mention that the
22 district's relying on the SCS co-benefits in terms of
23 emission reduction and the criteria pollutants which we're
24 currently working with your staff in developing the 2012
25 SIP that we do believe the reduction will be much needed

1 and appreciated. And staff also stand ready working with
2 SCAG to make this vision a reality. Thank you.

3 CHAIRPERSON NICHOLS: Thank you, Elaine. Thanks
4 for being here.

5 We now turn to a bunch of stakeholders who I know
6 have active roles in this process as well, starting with
7 Autumn Bernstein from Climate Plan.

8 MS. BERNSTEIN: Good morning, Madam Chairman,
9 members of the Board. My name is Autum Bernstein. I'm
10 the Director of Climate Plan. We are a statewide
11 coalition of nonprofit organizations working to implement
12 SB 375.

13 I think I can say at this point I'm a
14 full-fledged SCAG groupy. And I'm here first and foremost
15 to talk about SCAG, but also to talk about where we are
16 with SB 375. Today really represents a turning point.
17 After today, you will have looked at more of the half of
18 the state's population in terms of SCS. I think it's
19 really exciting to be here to talk about SCAG and talk
20 about really what we see is a tremendous success story.

21 You've already heard this, but I'm a believer.
22 I've been a part of this process from day one and seen the
23 transformation that's happened. I think the dialogue
24 that's happened both with members of the public and with
25 local elected officials in the region has been impressive.

1 And the results are very strong, particularly on the land
2 use side when you look at this plan.

3 We're also really thrilled to see the increases
4 in funding for active transportation and transit. But of
5 course, as we reflect on how far we've come, we have to
6 realize we have more work to do. The discussion about
7 implementation is really critical.

8 I have a couple pieces I'd like to add to that.
9 We already heard a little bit of discussion about the
10 project performance assessment tool. This is a way of
11 actually looking at the plan's goals within the context of
12 individual projects. We think this is a really important
13 next step. I was encouraged to hear Hasan talk about that
14 being something they would pursue down the road. We think
15 that's going to be very important, that we not only look
16 at increasing funding for new kinds of projects as far as
17 rail and active transportation, but really looking at some
18 of these old committed projects that are on the books that
19 are really moving us away from our goals. So we really
20 would love to see that happen.

21 I also want to echo some of the concerns that
22 have been raised about the inadequate analysis of impacts
23 to environmental justice communities and looking at health
24 and equity and which communities are particularly impacted
25 by the plan, both on the plus side and the negative side.

1 We're particularly concerned about communities
2 living close to freeways as well as those that could
3 potentially be displaced by new development around
4 transit.

5 And I want to also just make a quick point around
6 funding. We think it's really important to identify the
7 resources to make sure this plan happens. The money is
8 not all there. If we want to make this plan a reality, we
9 have to figure out how to do it.

10 Just yesterday, we were excited to support a
11 motion that went to the SCAG Regional Council to start
12 this conversation about regional revenues to support the
13 goals for active transportation and for expanding
14 Metrolink and making sure we have clean goods movement.
15 We need ARB's support in having that conversation both for
16 revenues at the regional scale and looking at revenues at
17 the state level that could be directed to help make sure
18 these plans come to fruition.

19 And lastly, we just want to call upon you to use
20 your leadership to reflect upon this first round of SCSs
21 and really lift up the things that have happened well.
22 We're going to be hearing from SACOG in a few minutes. I
23 think there's great examples from what they've done so
24 we're all learning as we go forward for the next round.
25 Thank you.

1 CHAIRPERSON NICHOLS: Thanks, Autumn.

2 Patricia Ochoa with Physicians for Social
3 Responsibility.

4 MS. OCHOA: Good morning. My name is Patty
5 Ochoa. I'm the Environment and Health Coordinator with
6 Physicians for Social Responsibility Los Angeles. And I'm
7 here today representing our physician members that are in
8 support of a Sustainable Community Strategy that promotes
9 walking or active transportation, invest and research and
10 deployment of zero emission technology, SCS that improves
11 air quality, and promotes transportation choices that
12 improve public health.

13 SCAG's SCS starts addressing all our needs and
14 making sure that we have a healthier community by building
15 a healthier transportation system that focuses the
16 majority of the region's housing and job growth near
17 transit. In doing so, we increase walking and biking
18 options and reduce our vehicles miles traveled.

19 As supportive as we are where the SCS is
20 currently, we also want to acknowledge and look at the
21 analysis in the EJ appendix of the RTP SCS that shows that
22 lower income communities will be exposed to an increase in
23 environmental impacts like particulate matter, will bare
24 the burden of any VMT funding strategies and will possibly
25 suffer from gentrification, displacement, and high quality

1 transit areas.

2 We believe that by focusing our regional growth
3 to local transit can benefit the region, but we believe we
4 need to ensure the local income and transit dependent
5 communities are included in the population that benefits
6 from the SCS. To ensure that lower income communities and
7 the most marginalized communities also benefit from the
8 plan, moving forward as the SCS gets implemented, we would
9 like CARB to take on a leadership role to develop research
10 and tools necessary to incorporate social equity and
11 health factors into travel modes and provide guidance to
12 SCAG on how to avoid our mitigate social consequences in
13 the SCS. Thank you.

14 CHAIRPERSON NICHOLS: Thank you.

15 Bonnie Holmes-Gen.

16 MS. HOLMES-GEN: Good morning, Chairman Nichols
17 and Board members.

18 I'm Bonnie Holmes-Gen, Executive Director for Air
19 Quality and Public Health at the American Lung Association
20 of California.

21 I'm here also to applaud SCAG's leadership in
22 developing this ground-braking Sustainable Community
23 Strategy. And especially want to thank Hasan Ikhata and
24 President Pam O'Connor for their amazing leadership and
25 their commitment throughout this process.

1 The American Lung Association of California
2 believes this strategy is critical to set the course for a
3 healthier and more sustainable future for Southern
4 Californians. And we truly believe that this draft before
5 you represents a huge step forward in helping to reduce
6 the burden of disease caused by air pollution exposure and
7 over-reliance on driving and lack of physical activities.

8 We're pleased this SCS beats the targets set by
9 the ARB for greenhouse gas reduction and contains a real
10 commitment to active transportation and increasing
11 transit.

12 Wanted to note a diverse group of over 20 health
13 organizations have supported the plan, as well as hundreds
14 of our advocates and volunteers and representatives of
15 seniors like the AARP also support this plan.

16 And we are very pleased, as mentioned, that SCAG
17 did adopt an enhancement motion that was mentioned. And
18 as part of that motion, SCAG did -- the Regional Council
19 committed to increasing focus on developing and analyzing
20 the health and equity indicators and looking at chronic
21 disease outcomes such as asthma and other chronic
22 illnesses.

23 And we think this is very important. And we also
24 agree it's important to continue looking at the EJ
25 environmental justice factors that were just brought up.

1 And I just wanted to say that the American Lung
2 Association has been actively involved in developing data
3 and information to help SCAG members and the public to
4 better understand the tremendous health benefits of moving
5 forward with smart growth strategies. And we found there
6 is enormous health benefits. Even if we just look at the
7 benefits from reducing pollution from reducing vehicle
8 trips into the Southern California, we can avoid over 16
9 billion in health and societal cost between now and 2035.
10 On top of that all is the benefits of increased physical
11 activities.

12 We need more of this kind of information. We
13 appreciate the research proposals that you just approved
14 today and think these are a helpful step forward. But we
15 hope that ARB will find other ways to partner with the
16 MPOs and help provide better modeling tools to help
17 explore ways to develop these additional tools to better
18 understand the co-benefits. And especially, of course,
19 the health and equity benefits of moving forward with
20 smart growth strategies.

21 We also want to urge you to do everything
22 possible as we talked about and you talked about, Chairman
23 Nichols and the Board, to help promote better alignment of
24 the allocation of our state transportation dollars to
25 communities that are undergoing these sustainable land use

1 planning efforts. We need to maximize the use of our
2 State dollars and maximize the effectiveness of the grants
3 allocated by the Strategic Growth Council. We need to go
4 deeper into this process and ensure we meet these funding
5 challenges. Thank you. The implementation process of
6 course is critical.

7 CHAIRPERSON NICHOLS: Thank you.

8 Dennis Zane from Move L.A.

9 MR. ZANE: Good morning, Board members. It's a
10 pleasure to be here.

11 I'm Danny Zane, Executive Director of Move L.A.

12 I would like to suggest that we start thinking
13 about Southern California rather than L.A. This is a much
14 bigger region than actually L.A. And while San Francisco
15 may be the core of the Bay Area and Los Angeles may be the
16 core of Southern California, we still commonly talk about
17 Bay Area. We should equally talk about Southern
18 California, because that's what this is, is a plan for all
19 of Southern California.

20 Move L.A. played a role. We helped to convene
21 the Coalition, which initiated and championed Measure R,
22 which I think, in addition to its substantive value, had
23 the political value of demonstrating that the voters in
24 Los Angeles County were really quite ready to invest in
25 their communities and took these objectives quite

1 seriously. By more than 67 percent, almost 68 percent,
2 they voted for a Measure that would provide almost 70
3 percent of its resource for transit.

4 L.A. County actually wasn't the first. San
5 Bernardino County, Riverside County, and Orange County had
6 also passed by more than two-thirds vote extension of
7 their sales taxes for transportation.

8 Now, we think that there is many opportunities
9 missed in this some of these plans for transit
10 development, and we look forward to working and discussing
11 that with communities going forward.

12 But there really is I think a demonstration that
13 Southern California as a whole sees life differently than
14 people believe. We see life as an opportunity to invest
15 in ourselves and our children going forward. And that's
16 what these ballot measures reflect.

17 That's the fact with this plan reflects. It
18 reflects that overall commitment to prosperity, to
19 sustainability, and to equity.

20 Move L.A.'s role in this was to convene about 42
21 organizations to participate in this process.
22 Organizations with diverse objectives, but all of which
23 centered around prosperity, sustainability, and equity.

24 We are proud of this plan. We think it goes a
25 long way and moves us forward. But we also know that

1 there are many, many more things that we have yet to do.

2 I'm very pleased that yesterday the Joint Policy
3 Committee of SCAG voted unanimously to refer our
4 recommendations for future objectives to the Regional
5 Council for their consideration.

6 And Dr. Sperling, I think this at least from us
7 reflects what we think are some of the priorities going
8 forward. There is an exceptional opportunity in the
9 Metrolink system for not only a commuter rail system but
10 for a high quality, high service, high speed express
11 transit system that knits together the entire region and
12 creates enhanced opportunities throughout Southern
13 California. Goods movement --

14 CHAIRPERSON NICHOLS: You can finish up.

15 MR. ZANE: And I think we had a copy for you and
16 it got passed to you. That's a document that we think
17 will help guide some of the future activities, both in
18 investments and transit, goods movement, bicycle,
19 pedestrian, and in SCAG's far-reaching and groundbreaking
20 Compass Blueprint Program. Thank you for your attention
21 and time and leadership.

22 CHAIRPERSON NICHOLS: Thanks for being here and
23 your very specific comments. Obviously, there is a lot of
24 substance here.

25 Nancy Pfeffer.

1 MS. PFEFFER: Good morning, Madam Chair and Board
2 members.

3 My name is Nancy Pfeffer. I'm the Director of
4 Regional Planning for the Gateway Cities Council of
5 Governments.

6 It's my pleasure to speak to you today on behalf
7 of the Gateway cities in support of SCAG's Sustainable
8 Community Strategy. The Gateway City Council of
9 Governments is comprised of the 27 cities of southeast Los
10 Angeles County, as well as the County of Los Angeles and
11 the Port of Long Beach.

12 Our organization's mission is to improve our
13 region of over two million people in four primary areas:
14 Transportation, air quality, housing, and economic
15 development.

16 As you're aware, under SB 375, in the SCAG
17 region, sub-regional organizations were offered an
18 opportunity to prepare their own sub-regional SCS.
19 Gateway Cities was one of two sub-regions that availed
20 themselves of this opportunity. We did this for a variety
21 of reasons. A primary reason was to build on the COG's
22 15-year history of collaboration, which laid the
23 groundwork for the SCS through numerous studies of
24 transportation, land use, air quality, and related
25 planning issues.

1 The Gateway Cities differ from the remainder of
2 the SCAG region in having dense development, relatively
3 high transit use, transit dependency, and lower medium
4 household income than the region or Los Angeles County.

5 The members of the Gateway Cities COG agreed to
6 assess themselves to raise the funds to develop our own
7 SCS. We conducted a series of workshops with City
8 planning staff supported by technical consulting team to
9 combine transportation project data for the SCS. Although
10 the regional greenhouse gas reduction targets did not
11 apply to the Gateway Cities as a sub-region, we
12 nonetheless determined that the combined strategies of our
13 cities would result in GHG reductions of 8.5 percent by
14 2020 and 15 percent by 2035, both in excess of the
15 regional reduction targets.

16 Throughout development of the Gateway Cities SCS,
17 the SCAG staff was closely involved and very supportive.
18 The SCS development process was new, intense, fast-paced
19 and often challenging for cities.

20 As a result, we often asked SCAG staff for
21 technical support and assistance and they always
22 responded. And there was no request we made to SCAG they
23 did not provide and we're very grateful for their
24 assistance in creating a successful sub-regional SCS.

25 Our Gateway Cities SCS has now been incorporated

1 in full into the Regional SCAG SCS. Thus, the regional
2 SCS includes and supports the local plans, policies, and
3 strategies that comprise with Gateway SCS.

4 Moreover, the Regional SCS has been shown to meet
5 or exceed the regional GHG reduction targets of 8 percent
6 and 13 percent. We respectfully request you give the SCAG
7 SCS your full support and approval as provided by SB 375.

8 Thank you for your consideration.

9 CHAIRPERSON NICHOLS: Thank you.

10 John Longville.

11 MR. LONGVILLE: Thank you very much, Madam
12 Chairman and Board members.

13 One of the advantages of being involved in this
14 kind of activity for decades is, as you grow older, you
15 start to acquire a different sense of perspective how long
16 it takes to achieve some of these goals and the
17 worth-whileness of some of the efforts. And I know having
18 worked with several members of this Board for similar
19 periods of time, despite the fact that they don't get
20 older while I do, I know that we share a common passion to
21 loosen the long-standing links between mobility and
22 pollution.

23 And I can remember working with some folks here
24 more than two decades ago with Byran Sher and Kip Lipper
25 on development of the language of AB 2766 and Chairing the

1 MSRC for five years. Very effective way to allow local
2 government to raise some funds to address these issues, by
3 the way, something which was done 20 years ago.

4 As I stand here as a co-author of SCAG's current
5 bylaws that created the Regional Council and as the first
6 President of that Regional Council, I take unavoidable
7 paternalistic pride in seeing the extraordinary work
8 effort that Mayor Loveridge described, this historic
9 effort, the best you've ever seen, as you described it.

10 But it's the current leaders of SCAG who have the
11 justification for much greater satisfaction for the
12 extraordinary effort that they've put into this and what
13 they've produced. Not perfect. We all admit. But by
14 gosh, what an extraordinary job this has been and the
15 differences it will make.

16 And as one of the founding members of the
17 Metrolink Board and creators of that, I look at
18 Dr. Sperling. I know that the ridership is not going to
19 be what we see in New York or Chicago. None of us are
20 under illusions as to what is achievable in a short time.
21 But the ridership has grown tremendously on Metrolink and
22 this plan will take and provide the increases in service
23 that will allow greater ridership. The ridership is there
24 for whatever trains we can put out there. It's just we
25 can't put enough trains out.

1 So, really, what this boils down to is there is
2 not enough money for all of the solutions that are needed
3 here. And so I urge you to not only continue your
4 long-standing support for this effort in so many ways, but
5 specifically to weigh in on the battle to get the state to
6 allow our local officials to take the steps that residents
7 are asking them to take. Our residents have repeatedly
8 demonstrated their willingness to vote for revenue-raising
9 measures. It's the state which has repeatedly cut off
10 various funding and restricted local government's ability
11 to raise money. That's what we need to work on.

12 Thank you very much.

13 CHAIRPERSON NICHOLS: Thank you.

14 As one of those that you were referring to, I
15 think it is a lesson in how long it takes too get things
16 done. But we've seen some really remarkable new things
17 emerging out of this, too, including new stakeholders who
18 have come to the floor. And that would include I think
19 folks whose principle purpose for being there relates more
20 to their local pollution type concerns. And I would say
21 that that is a factor that I think has really somewhat
22 changed the dynamics of the whole discussion.

23 So with that, we'll move on to Parisa
24 Fatehi-Weeks from Public Advocates and then Amanda Eaken
25 is going to be the last witness.

1 BOARD MEMBER SPERLING: I can't restrain myself.
2 I did have a double cappuccino this morning.

3 But you know, a lot of what is needed here is
4 innovation. It's not just more money for transit. More
5 money for transit is definitely needed.

6 But we need to transform how we think about
7 transportation. And that means supporting a lot of
8 private sector activities to provide new types of mobility
9 services. Then we can get up to 30 to 40 percent market
10 penetration, not six or seven.

11 CHAIRPERSON NICHOLS: Fair enough. Okay.

12 MS. FATEHI-WEEKS: Good morning. My name is
13 Parisa Fatehi-Weeks, a public advocate from a nonprofit
14 civil rights firm advocacy organization. We are part of
15 the broad-based Climate Plan Network.

16 My comments this morning are to call your
17 attention to letters over 35 organizations submitted to
18 you over the past years. Those letters ask you and ARB
19 staff to pay attention to the impact of SB 375
20 implementation on all Californians, including low-income
21 communities and communities of color. We believe SB 375
22 presents real opportunities for improvements in quality of
23 life. We're excited about this legislation.

24 But there are also real risks if we don't examine
25 them, we won't be able to prevent them and treat them.

1 These apply in the context of the SCSs that are before you
2 today. But they also apply to those coming your way and
3 those MPOs with whom you're still working in the formation
4 stage.

5 So to be very clear, the social equity and
6 environmental justice issues and risks that we described
7 in those letters to you that have been put in the public
8 record include displacement, high housing and
9 transportation costs, equal access to transit,
10 jobs/housing fit, air quality disparities and other public
11 health effects.

12 And we called your attention to these issues for
13 a few reasons. One: It matters for greenhouse gas
14 performance for greenhouse gas reduction. Evidence shows
15 without adequate affordable housing and protections
16 against displacement, infill development can lead to
17 gentrification, can push disadvantaged communities far
18 from the urban areas where they've long been living. And
19 these are the communities that have actually the lowest
20 vehicle miles traveled for household. They have the
21 highest rates of transit ridership. That's the kind of
22 behavior that SB 375 is intended to reward. If these
23 communities are pushed out and disconnected from the
24 transit they've long used, they will be forced to drive
25 longer distances in less efficient vehicles. And of

1 course, the greenhouse gas impacts of something like that
2 are serious for every region, but also for the whole
3 state's ability to meet our targets.

4 The second reason is that State and federal laws
5 and regulations governing Cal/EPA's own internal policy
6 call upon you to examine and explicitly discuss how ARB's
7 actions treat people of all races and incomes and
8 geographic areas -- and I quote -- especially low income
9 and minority communities. And up until this point in
10 ARB's, one, target setting in the technical methodology
11 exchange you've done with MPOs, and third, in the document
12 describing ARB's methodology for reviewing each SCS, there
13 hasn't been an explicit discussion and consideration of
14 impacts on these communities.

15 So I just want to leave you with a call to
16 include those impacts and metrics in each of the steps
17 you're charged with carrying out under SB 375.

18 I do want to thank you. And we really look
19 forward to working with you to not only improve the
20 consideration of these impacts, but partnering on the
21 solutions to address and prevent them. Thank you.

22 CHAIRPERSON NICHOLS: Thank you. And I guess
23 Amanda Eaken will have the last word.

24 MS. EAKEN: Good morning, Madam Chair and Board
25 members.

1 Amanda Eaken with the Natural Resources Defense
2 Council.

3 I just want to take a moment to make a brief word
4 of thanks to the ARB staff and Board. Many of us in this
5 room are focused on SB 375 implementation, and it's one of
6 many, many programs you're managing. Of course, there is
7 clean car regs later today, cap and trade I presume is
8 taking a tiny bit of your time, and there are statewide
9 ballot initiatives. So thank you for your attention and
10 your service.

11 A couple words on the SCAG SCS. We agree with
12 Chair Nichols that it is, indeed, a remark accomplishment
13 just to create an SCS for a region this large. The
14 economy of southern California is larger than most
15 countries on earth. And yet, they manage to meet with
16 nearly 200 cities, craft a plan that not just exceeds its
17 targets, but somehow miraculously reduces congestion in
18 spite of adding four million people, flips business as
19 usual land use on its head to provide overwhelmingly
20 walkable communities and commit 70 percent of its funding
21 to transit.

22 Two things you should know about this plan. As
23 Denny mentioned, yesterday SCAG's Joint Policy Committee
24 voted unanimously to adopt a motion at our urging that
25 provides significant enhancements for Metrolink commuter

1 rail service, active transportation, and increased funding
2 for Compass Blueprint to recognize the critical role of
3 local governments in implementing this plan.

4 With this vote, the Policy Committees are saying
5 we want to do even more to accelerate strong regional
6 transit systems and take the region in a direction of
7 safer walking and biking. And we're encouraged by this
8 vote, and we want to commend the SCAG staff and Board for
9 this vote.

10 In the spirit of identifying new revenues, we do
11 think there is probably an opportunity with this \$524
12 billion plan to evaluate, in fact, whether each and every
13 project that's included in the plan right now truly moves
14 the region in the right direction.

15 We think SCAG has identified a compelling vision
16 for its future, but it's now a matter of marshalling all
17 of its resource in direction of accomplishing that vision.

18 And we agree with Board Member D'Adamo, who's
19 left the room, that a thoughtful analysis of whether these
20 projects are actually achieving SCAG's own goals of
21 improving air quality, improving public health, and
22 creating affordable mobility options could significantly
23 strengthen this plan the next time around. The project
24 performance assessment process that's been pioneered by
25 the Bay Area provides the perfect example. And it's

1 exactly what we hoped to happen with 375 that best
2 practices in one region could then be replicated in other
3 regions, provides the perfect example for SCAG staff to
4 commit to between now and 2016.

5 And I'll admit that, you know, some of us are
6 perhaps just looking for more of an excuse to advocate
7 with the SCAG staff and Board and don't want to give up
8 after the adoption in 2012.

9 So we look forward to working with you and the
10 SCAG staff and truly the next round of SCSs are going to
11 be even stronger. Thank you very much for your
12 leadership.

13 CHAIRPERSON NICHOLS: Thank you. That concludes
14 the list of witnesses that I had.

15 We've had quite a lot of testimony. And there
16 are a few comments that I want to make before we end in
17 terms of some direction to staff that I hope they will
18 take. If anybody else has any additional comments -- yes,
19 Mayor Loveridge.

20 BOARD MEMBER LOVERIDGE: Just by way of closing,
21 I mean, it's nice we really have a success story here, but
22 it's not an accidental success story. I again want to
23 talk about the elected leadership that made this possible
24 and the Executive Director of SCAG.

25 I remember Dan Walters' comment about Southern

1 California being the most complex and diverse social,
2 economic, and political society in the history of mankind.
3 And I think that's a defensible premise. And I think as
4 we talk about this plan, you need to think about that
5 contention.

6 Third is it's clear implementation is before us.
7 The last call, the young fellow, "let's get to work," how
8 we do that successfully. I think obviously this question
9 of incentives is very difficult to make these things
10 happen with some kind of incentives.

11 But I also think this question about innovation
12 and how to encourage this, it's the metrics. If we can
13 have some way we measure progress on this and aspects of
14 the progress. I know the environmental groups have got
15 some 15 different some kind of measures that you could
16 begin to look at what is happening. I think this would be
17 helpful to the cities and those of us who not only applaud
18 the aspirations but are trying to follow what happens.

19 CHAIRPERSON NICHOLS: Well, any other final
20 comments?

21 Yes.

22 BOARD MEMBER SPERLING: One comment and one
23 suggestion.

24 Following up, I think what Amanda Eaken suggested
25 is a very important one in terms of what MTC has started

1 to do in terms of trying to impose more of a
2 performance-based approach process. And we actually
3 started that with using the metric of greenhouse gas
4 reductions per capita is really -- is a performance metric
5 and kind of thinking about how to use that even more
6 effectively is important.

7 But more importantly, I want to follow up with
8 what Steve Heminger said earlier and propose that we, ARB,
9 take a role in terms of -- he raised the challenge back to
10 us about creating more of a partnership at a higher level
11 and that we accept that challenge and think about how to
12 facilitate -- obviously, it goes way beyond ARB, but
13 perhaps we could be facilitating that kind of partnership
14 to think through how to really make SB 375 effective.

15 CHAIRPERSON NICHOLS: Okay.

16 BOARD MEMBER BALMES: Mary.

17 CHAIRPERSON NICHOLS: Yes? I'm sorry.

18 BOARD MEMBER BALMES: I think that's a good
19 jumping off point for some comments that I would like to
20 make.

21 First of all, as being a Southern California
22 transplant to northern California, originally starting in
23 Chicago, I was kind of -- when I lived in L.A. and I did
24 live in the city, I thought it was a tad dysfunctional.
25 This is coming from a Chicago boy where -- I actually

1 think the municipal government works very well on the city
2 level, maybe not at the county level.

3 And it is an extraordinary achievement that these
4 multiple governments in Southern California have come
5 together to put forward a plan that is both forward
6 looking, exceeds the target, and starts to deal with some
7 of the co-benefits with regard to health and environmental
8 justice that can occur.

9 So I think I'm the health guy on the Board that
10 Mr. Pettis referred to.

11 And I agree that we have to have a vibrant
12 economy to be able to afford some of the possibilities
13 that improved regional planning can provide for improved
14 health, improved walkability in communities, improved
15 ability to do active commuting, which is both health
16 promoting as well as greenhouse gas emission reductions.

17 So I think this is a great first step in terms of
18 recognizing that there are health and environmental
19 justice impacts here. You know, until I saw this, I
20 wouldn't have believed those things would have been in
21 there from a SCAG planning effort.

22 So I think that in meeting the challenge that was
23 put forth by Mr. Heminger about trying to make -- trying
24 to make a plan -- the regional plans implementable, I also
25 think that CARB has a role with regard to trying to make

1 sure that co-benefits are achieved and that environmental
2 justice concerns are recognized.

3 And for the latter, I think we need good metrics.
4 I think it's in the report that SCAG wants improved
5 indicators with regard to environmental justice impacts.
6 I think some of the testimony we've heard today would
7 support that we need better indicators. And I think CARB
8 has a role in trying to facilitate development of those
9 indicators.

10 Just to make one specific example, I agree with
11 Ms. Fatehi-Weeks that when infill is done, there's often
12 gentrification and then the folks poorer folks that are
13 displaced have to move far. This is definitely true in
14 the Bay Area when I now live. Some of the longest
15 commutes are from the people that are the poorest.

16 So environmental justice and co-benefits with
17 regard to health have to be part of the mix. Obviously,
18 it's not the sole driver, and I would never pretend it
19 was. But I'm glad that this first step recognizes their
20 importance, but we have to keep focusing on those aspects
21 as well.

22 CHAIRPERSON NICHOLS: Okay. Any other closing
23 comments?

24 If not, just a reminder that what we're doing
25 here today is giving input and reviewing what's been done

1 to date. And we've I think given a lot of encouragement
2 and support. But we do have some thoughts about how to
3 improve our processes going forward.

4 I think that the issue of what ARB's role in all
5 of this is is one that's worth remembering, because as a
6 State agency with a primary technical as opposed to
7 community-based kind of function -- we're not the people
8 who are down there as the primary permittees. We're not
9 the land use agencies. We don't have offices in many
10 relevant parts of the state. We're very fortunate that
11 Terry Roberts was able to relocate herself to Southern
12 California to be there as our on-the-ground person on
13 these issues. But we can't count on that for every place
14 or certainly not on having one person to deal with all of
15 the issues that are going to come up for implementation.

16 So I think I agree that the technical work that
17 we did with the help of the Advisory Committee. Setting
18 of the targets themselves was key to moving the whole
19 process forward. And we have to figure out how to build
20 on that.

21 I really like the idea of doing a review of the
22 first round of plans and assessing what some of the best
23 practices have been that we've seen and trying to make
24 sure they are disseminated throughout the state. That
25 will be particularly helpful in places that haven't yet

1 come to terms with their sustainable community strategies.
2 I won't bother to mention which region of the state that
3 would be, but we all know that not everybody is there yet
4 at all. And it's particularly true for some of the issues
5 where we're beginning to now develop some better ideas
6 about indicators and metrics.

7 And I really want to commend the environmental
8 justice community for their persistence in coming up with
9 ideas about how we could do this better in ways that will
10 actually work to accomplish some of the goals that Dr.
11 Balmes and others have spoken to.

12 I want to commend them, but I also want to
13 specifically direct our staff to continue the dialogue
14 that's begun in terms of working on some improved modeling
15 tools and improved technical tools that we can use to
16 assist in looking at these plans and helping to strengthen
17 them. Because it's absolutely correct that while poor
18 people today are contributing less in terms of emissions
19 than their fair share on a per capita basis that there are
20 things that could happen that could make that situation
21 reverse itself. And that would be ironic at best and
22 certainly counterproductive in terms of the overall goals
23 of greenhouse gas reductions. So I think we've heard some
24 very good testimony on that.

25 It's also true that as an agency we can

1 participate within the council of state agencies through
2 the Office of Planning and Research and their Strategic
3 Growth Council and elsewhere as the advocates for using SB
4 375 effectively as a tool. And we are the guardians of
5 again success on SB 375. So it's a tremendous
6 responsibility and opportunity that we have.

7 I definitely am hopeful of what I've heard about
8 the willingness of the region not only to look forward but
9 also to look back at the decisions that were made in the
10 past in some of the previous plans and to see if there are
11 ways that moneys can be freed up. And as a place that was
12 innovative enough to come up with Measure R, I'm confident
13 that Southern California will be the place that comes up
14 with new financing tools for some of these very ambitious
15 projects as well.

16 And I guess lastly, I want to challenge the
17 advocates who have been so involved in the planning
18 process to date. I'm reminded today of a conversation
19 that I had with Mike McKeever and Steve Heminger when SB
20 375 was only a gleam in their eyes and wasn't even a bill
21 number, much less a piece of legislation, about the fact
22 that if you can develop a plan, a sustainable plan, with
23 input, you at least have a chance of then having the
24 people who worked on the plan come forward when the going
25 gets tough and there are real projects on the table and

1 support the projects that actually are needed to make that
2 plan work.

3 And I'm really speaking of the land use process
4 now, more than the transportation projects. But talking
5 to the need to be there when the local plans come forward
6 that are going to be moving in the direction of density
7 that some people are not going to want. And so my
8 challenge to the groups that have done such a great job so
9 far is to not walk away once the big high level plans are
10 done, but to stay engaged and to be there to support the
11 implementation of those plans when it gets tough.

12 So with that, I think we've done it for the
13 moment. Just thanks to everybody. And it's exactly
14 12:00. Shall we take a lunch break at this point? People
15 ready? All right. We'll do that. We'll take a one
16 hour -- we don't have to vote on anything. No vote is
17 required. So thank you very much. And we'll take a
18 break.

19 (Whereupon a lunch recess was taken at
20 12:01 p.m.)

21

22

23

24

25

1 As we look at the urbanized area of Sacramento,
2 the plan accommodates the future population growth largely
3 within the region's current development footprint and with
4 greater investment in the transit system.

5 I'm happy to see with its integrated land use
6 pattern and transportation system, the SACOG Sustainable
7 Communities Strategy would meet the greenhouse gas
8 reduction targets that this Board set.

9 And I also want to acknowledge that Mike
10 McKeever, who's the Executive Director of SACOG, served as
11 the Chair of our SB 375 Advisory Committee when we first
12 began the target setting process. So we appreciate the
13 fact he's still here and still with us, alive.

14 MR. MC KEEVER: I'm glad I'm still here too,
15 madam Chairman.

16 CHAIRPERSON NICHOLS: Still critical, but
17 supportive of what we're trying to do. And undoubtedly,
18 his hard work has contributed greatly to the success of
19 getting this work done. So thank you.

20 Mr. Goldstene, would you please introduce this
21 item.

22 EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman
23 Nichols.

24 Since this is today's second item on 375, we'll
25 forgo the background discussion and move directly to

1 SACOG's plan and our evaluation of the greenhouse gas
2 reductions.

3 SACOG released its Draft Sustainable Communities
4 Strategy in November of last year. Since release of the
5 draft, SACOG staff has been soliciting public comment,
6 holding public hearings, and hosting briefings for the
7 region's elected officials.

8 Early this month, SACOG's Policy Committees
9 discussed comments received and indicated that, with minor
10 changes, the Board should be on schedule to adopt the
11 draft as final at its April 19th meeting.

12 Staff's presentation will present the results of
13 our evaluation of the greenhouse gas reduction from the
14 SACOG plan. The SACOG staff has provided us with all the
15 input data and modeling information we needed for our
16 review, which we greatly appreciate.

17 I'll now ask Lezlie Kimura of our Air Quality and
18 Transportation Planning Branch to begin the staff
19 presentation. Lezlie.

20 (Thereupon an overhead presentation was
21 presented as follows.)

22 MS. KIMURA: Thank you, Mr. Goldstene.

23 My presentation will discuss staff's evaluation
24 of SACOG's Draft Sustainable Communities Strategy,
25 released for public review this past November.

1 --o0o--

2 MS. KIMURA: The proposed plan covers a 23-year
3 period from 2012 to 2035 and identifies over \$35 billion
4 in transportation projects and priorities.

5 The region's previous plan was designed around
6 its land use growth strategy, known as its blueprint.
7 SACOG's current proposal maintains and enhances that
8 approach. Continuing to build on the region's blueprint
9 work, the proposed plan connects local land use plans with
10 the region's transportation system.

11 The next few slides provide some background on
12 the Sacramento region helping to put the key elements of
13 SACOG's draft plan into context.

14 --o0o--

15 MS. KIMURA: SACOG consists of the Sacramento
16 region's six counties: El Dorado, Placer, Sacramento,
17 Sutter, Yolo, and Yuba as well as the 22 cities within
18 them, as shown in this map. As the designated
19 metropolitan planning organization, or MPO, SACOG's Board
20 of Directors serves as the policy making body for
21 development of the region's transportation plan, which now
22 must include an SCS.

23 --o0o--

24 MS. KIMURA: The planning area covered by SACOG
25 spans a diverse geography, including agricultural lands,

1 urban and foothill communities, as well as the sparsely
2 populated forests of the western Sierra Nevada. Portions
3 of Sacramento, Placer, and Yolo Counties comprise the
4 major urbanized area of the region, with about 85 percent
5 of the population, housing, and employment.

6 --o0o--

7 MS. KIMURA: This map illustrates the population
8 centers of the region today, housing approximately 2.3
9 million people. Sacramento County sits at the geographic
10 center of the region and includes some of the region's
11 most urbanized land uses and about 60 percent of the
12 region's population.

13 Placer and Yolo Counties contain some medium to
14 high density development as well as rural and agricultural
15 lands. The remaining areas of the region, covered by
16 Sutter, Yuba, and El Dorado Counties are home to about 14
17 percent of the region's population and are predominantly
18 characterized by rural and agricultural land uses.

19 --o0o--

20 MS. KIMURA: The transportation system serving
21 the SACOG planning area includes a system of roads,
22 transit, rail, bike, and walking paths. The roadway
23 system includes three interstate highways, several state
24 highways, and numerous local roadways, which serve various
25 combinations of auto, truck, pedestrian, bicycle, and

1 transit travel.

2 Public transit includes approximately 40 miles of
3 urban light rail and over 2,000 miles of bus service,
4 rural para transit, dial-a-ride service, as well as
5 inter-regional commuter rail and bus service.

6 The region also contains over 1,400 miles of
7 bicycle routes and sidewalks covering about half of the
8 existing streets in the region's urbanized area.

9 SACOG, along with the transportation agencies for
10 El Dorado and Placer Counties, are responsible for the
11 transportation projects that get included in the region's
12 MTP.

13 --o0o--

14 MS. KIMURA: SACOG's plan provides for
15 enhancements to the region's transportation system in the
16 near future and also takes a long-term view towards
17 addressing the region's future needs.

18 After adjusting for the recessionary impacts on
19 growth by 2035, the region is expected to add over 300,000
20 more jobs and homes with over 870,000 more people. At the
21 same time, households are expected to shift toward an
22 older population with over 70 percent of households headed
23 by someone 55 years or older. The SACOG SCS reflects
24 these demographic as well as related market trends.

25 --o0o--

1 MS. KIMURA: Since the adoption of the blueprint
2 strategy by SACOG's Board in 2004, over half of the cities
3 and all the counties have adopted or are currently
4 undergoing local land use plan updates. Many of these
5 updates include smart growth concepts developed through
6 public processes at the local level.

7 The outcome is a more compact land use pattern
8 able to accommodate a 40 percent increase in the region's
9 population by 2035 that is largely within the region's
10 current development footprint.

11 --o0o--

12 MS. KIMURA: This more compact land use pattern
13 is achieved in part by accommodating market demand for new
14 housing with a higher proportion of small lot and attached
15 housing.

16 By 2035, over 70 percent of new housing is
17 expected to be built as attached or small lot projects.
18 The 30 percent of new growth anticipated to be built as
19 large lot residential is expected to be within the
20 region's established suburban subdivisions and in areas
21 already planned for future urban growth. Many of these
22 areas are partially developed today and adjacent to the
23 region's existing urban and suburban development.

24 --o0o--

25 MS. KIMURA: The growing proportion of compact

1 development helps the region make the most of its infill
2 and mixed use opportunities.

3 In fact, the land use pattern reflected in the
4 draft plan puts the majority of new growth in housing and
5 jobs in existing urbanized areas. These areas will
6 accommodate over 50 percent of new growth in housing and
7 over 80 percent of new growth in jobs. This helps to
8 maintain the region's current development footprint.

9 --o0o--

10 MS. KIMURA: SACOG worked with its members
11 jurisdictions to updates its plan's transportation
12 investments using the growth and land use forecasts for
13 the region.

14 The revenues reflect about a 13 percent reduction
15 in total budget compared to its previous plan.
16 Investments in the new plan focus on improving existing
17 roads and transit service.

18 Eight percent of total revenues are bugged for
19 bike and walk projects, an increase over the region's
20 previous plan. In addition, over 30 percent of total
21 revenues are dedicated to transit, closely matching the
22 previous plan. To maintain the transit system in the new
23 plan, SACOG shifted more than two billion dollars from
24 road to transit purposes.

25 --o0o--

1 MS. KIMURA: One result of these funding shifts
2 is greater emphasis on complete street projects that
3 balance the needs of bicyclists, walkers, transit riders,
4 and drivers.

5 The plan's increased investment in bike and walk
6 projects will be used to help make the region's existing
7 urban corridors more conducive to biking and walking.
8 Active transportation is an important component of a
9 sustainable transportation system.

10 --o0o--

11 MS. KIMURA: The plan's transit investments focus
12 on providing the region's urbanized area with more high
13 frequency transit service.

14 By 2035, over half of all transit service in the
15 region will operate with 15 minute or better service,
16 compared to just 24 percent today. This map illustrates
17 the parts of the region that will have access to higher
18 frequency transit, which are also compact, mixed use
19 areas. These improvements are centered around the city of
20 Sacramento, radiating out along the region's main highway
21 and freeway corridors.

22 --o0o--

23 MS. KIMURA: By putting transit investments in
24 areas that are most capable of supporting transit service,
25 the region expects to see a greater return on its transit

1 investments.

2 By 2035, transit passenger boardings are expected
3 to more than quadruple in 2008. This will bring increased
4 transit revenues to cover a greater proportion of transit
5 operating costs, which will help stretch the region's
6 transit dollars further.

7 --o0o--

8 MS. KIMURA: SACOG's planning process includes an
9 environmental justice analysis to look at whether
10 investments would help meet the needs of all the region's
11 residents, including those of its low income and minority
12 communities.

13 SACOG convened focus groups and an equity,
14 housing, and health working group to work with U.C. Davis
15 and help develop additional equity measures for its
16 environmental justice analysis. As a result, the plan
17 adds four additional indicators: Housing mix, transit
18 access to higher education and parks, auto accessibility,
19 and shifts in mode share, and proximity to high volume
20 roadways.

21 The results of the analysis showed similar
22 results in environmental justice communities compared to
23 other communities in the region. SACOG acknowledges the
24 need to continue expanding its capacity for future EJ
25 analyses.

1 Currently, they are in the process of developing
2 a job-housing fit tool through funding from a federal HUD
3 sustainability grant. They are also seeking grant funds
4 to allow for enhanced evaluation of public health measures
5 in future plans.

6 --o0o--

7 MS. KIMURA: SACOG's planning includes an SB 375
8 greenhouse gas reduction calculation and performance
9 analysis. ARB staff has reviewed this analysis. And over
10 the next few slides, I will summarize our key findings.

11 --o0o--

12 MS. KIMURA: SACOG evaluated the performance of
13 its plan using an activity-based model, which is a next
14 generation travel model type. ARB staff tailored its
15 review methodology to capture the specific elements of
16 SACOG's approach as we do in all our reviews.

17 Staff's review evaluated key components of
18 SACOG's modeling system that influence greenhouse gas
19 emissions. Data and input assumptions, sensitivity, and
20 performance indicator tests were all part of ARB's staff
21 evaluation.

22 ARB staff's assessment of SACOG's greenhouse gas
23 quantification indicates that SACOG appropriately applied
24 model inputs and assumptions. Its travel demand model was
25 sensitive to the key land use and transportation

1 strategies proposed in its plan. And where strategies of
2 the plan were not modeled, off model calculations were
3 appropriately applied.

4 In addition, ARB staff evaluated performance of
5 the plan over a key subset of indicators to determine if
6 they provided support for SACOG's modeled greenhouse gas
7 emission reductions.

8 I will highlight some of these over the next few
9 slides.

10 --o0o--

11 MS. KIMURA: This figure shows the reported
12 declining VMT per capita trend for the plan. The decline
13 is consistent with what ARB staff would expect to support
14 the region's passenger vehicle CO2 emission reduction
15 trends in both 2020 and 2035.

16 --o0o--

17 MS. KIMURA: This next figure focuses on changes
18 in the average auto trip length over time. Data show that
19 the average auto trip length decreases by three percent or
20 by half a mile by 2035. While a half a mile reduction
21 doesn't seem dramatic, when considering that over 80
22 percent of trips in the region are by auto, even a small
23 decrease in average trip length can provide significant
24 reductions in the region's overall VMT and CO2.

25 --o0o--

1 MS. KIMURA: ARB staff also reviewed a series of
2 mode share metrics reported by SACOG for 2035. Compared
3 to 2008, there are fewer drive alone trips and more trips
4 taken by bike, walk, and public transit by 2035.

5 Trips by transit change the most. In 2008, they
6 were 1.3 percent of all trips. Whereas, in 2035, they are
7 more than double to 3 percent of all trips in the region.

8 --o0o--

9 MS. KIMURA: SACOG reports by 2035 more than
10 twice as many homes will be within high frequency transit
11 areas. That is, areas within a half mile of a major
12 transit stop or corridor with 15 minutes or better
13 service. Research has shown that with better transit
14 access, VMT declines.

15 --o0o--

16 MS. KIMURA: By 2035, jobs in the region's high
17 frequency transit areas will also more than double, from
18 240,000 in 2008 to 640,000 by 2035.

19 --o0o--

20 MS. KIMURA: Based on these and other performance
21 indicators, ARB staff's review show SACOG's draft plan
22 achieves per capita greenhouse gas emission reductions
23 from 2005 levels of nine percent in 2020 and 16 percent in
24 2035. These reductions meet the targets set by ARB of
25 seven percent in 2020 and 16 percent in 2035.

1 --o0o--

2 MS. KIMURA: Similar to the process ahead for the
3 Southern California region, SACOG will be considering
4 adoption of its final plan this coming April. Once
5 adopted, SACOG will submit its final plan to ARB. ARB
6 staff will then review it for any changes that would
7 affect the quantification of greenhouse gas emissions.
8 Upon completion of staff's review, ARB's Executive Officer
9 will accept or reject SACOG's determination with
10 transmittal of a signed Executive Order.

11 --o0o--

12 MS. KIMURA: That concludes my presentation.
13 Thank you.

14 BOARD MEMBER RIORDAN: Thank you very much.

15 Mr. Goldstene, do you have any final comments?

16 Ideally, I would like to have Mike McKeever make
17 a presentation and then open it to questions if the Board
18 has any questions.

19 EXECUTIVE OFFICER GOLDSTENE: I think that's
20 right, Mrs. Riordan. Again, we want to thank Mr. McKeever
21 for his work not just on putting together this SCS, but
22 his role as Chairing the RTAC Committee.

23 BOARD MEMBER RIORDAN: We do thank you.

24 Please come forward and share with us any
25 thoughts you have on this plan.

1 MR. MC KEEVER: Thank you very much. Just a few
2 brief comments.

3 The last plan that we adopted, which was in the
4 spring of 2008, was the first one that was largely based
5 on our blueprint smart growth strategy. And we were happy
6 with that plan.

7 This plan, we're excited about. I really feel
8 like we have taken this to a new level with this plan.
9 The armature of 375 and the targets was an important part
10 of taking it the next increment. It happened during a
11 period of economic and political context where it would
12 have been very -- it very much would have turned out
13 differently. We would have been sliding backward towards
14 the goals and principles of good smart growth integrated
15 planning. But instead, I think we're making a significant
16 stride forward.

17 Let me just point out a couple additional metrics
18 beyond the great summary that Lezlie provided in the staff
19 report.

20 We're often grouped together with the three other
21 largest metropolitan planning organizations in the state
22 for good and understandable reasons. But we share in many
23 ways at least as many commonalities with our sister MPOs
24 going down the valley as well. Our land form, our market
25 economics, our expanse of flat land that has been sprawled

1 onto for decades here in our development pattern in many
2 ways is much more similar with the pattern of the MPOs
3 that will be coming your way in a couple of years with
4 their plans than with any of the other three larger MPOs.

5 And so figuring out how to make a transit system
6 work in this region in particular is a big, big challenge.
7 We have more than broken a sweat trying to figure out how
8 to do that.

9 So our total mode share in transit is still
10 relatively small even under this plan. But when you get
11 under the hood a couple of levels, it starts to look a
12 little bit more exciting. The commute mode share in
13 particular is going up substantially. And while it's hard
14 to move the regional number by big bounds even over a
15 couple of decades, areas like the central city where we
16 are now change a lot.

17 Today, about 20 percent of the commute trips are
18 coming in by transit and 60 percent in single occupancy
19 vehicles. Those numbers completely flip by 2035. So
20 we're showing 60 percent coming in on transit and 20
21 percent coming in in round numbers in single occupancy
22 vehicles. And it's because of the addition of large tens
23 of thousands of new housing units here and on the other
24 side of the river. And because of some very focused
25 transit expenditures that are showing very high

1 productivity.

2 Of course, you know with transit trips come walk
3 and bike trips that come along with that. So there are
4 pockets of real serious transformation in this plan. And
5 we have always taken -- we weren't smart enough to invent
6 the term. As I was just sitting here thinking about this,
7 your Scoping Plan term of the most ambitiously achievable
8 targets, that's really the guide post that we have used
9 for doing this plan and other plans. We're ambitious but
10 we're realistic. We really want a plan that can be
11 implemented. We don't want something that looks nice on
12 paper. And we think we have a good hope of implementing
13 that plan.

14 Let me make a couple of comments on that clearly
15 the issue of the day with you, what about implementation.

16 So the first thing that we have done, in part
17 because of the bad economy, is said if you don't have cash
18 to spend in big volumes, what can we do that doesn't cost
19 money. And regulatory reform is one of those things. So
20 many of our members have worked at cleaning out their
21 zoning codes and making entitlements more concern.

22 What we've done in this plan is really tried to
23 maximize the CEQA streamlining benefits that are available
24 to us. We spent a lot of time on that. And so there are
25 some specialized benefits that are embedded in Senate Bill

1 375 that we have spent a lot of time figuring out how to
2 make sure -- and we hope the ground we're plowing there
3 will be useful to others.

4 But we've also taken the tiering benefits that
5 have been in CEQA for a long time and tried to write our
6 EIR in a way that makes it possible for all land use
7 projects, not just housing projects, and transportation
8 projects to tier off of our regional documents. So we're
9 working hard on the regulatory streamlining side to try to
10 maximize our chances of being able to implement this.

11 I'm very happy to say that the author of Senate
12 Bill 375, Senate Pro Tem Darryl Steinberg has also agreed
13 to author what he refers to -- we're going to have to come
14 up with a better name -- sorry, Senator -- what he refers
15 to as Redevelopment 2.0, which is the new version of -- we
16 don't know what to call it yet. It's very, very critical
17 that we stand something up to replace the demise of
18 redevelopment agencies. I'm not trying to get in the
19 middle of debate. There might have been plenty of good
20 reasons to do that. But for the goals of this law, that
21 is a mortal threat. And I chose those words carefully.
22 And we must replace it with something that gives our
23 cities and counties and development community a way to put
24 development into these transit priority areas in
25 particular.

1 And while this bill is still at Leg. Counsel as
2 we speak, I'm sure I can say that the basic policy
3 foundation for that bill will not be the notion of urban
4 blight, but will be helping to implement Senate Bill 375,
5 in particular development in transit priority areas. So
6 it's going to be an uphill -- it's going to be uphill to
7 get there.

8 To the good question that several of you have
9 asked today, any help you can give us with that bill would
10 be very much appreciated. We're very happy to have the
11 Senate Pro Tem working with us. There is at least one
12 other key person in this state whose support we're going
13 to need before that bill would ever become a law. So
14 anything you're willing to do to help would be great.
15 Anything on cap and trade revenues relating them to
16 implementation of 375 would also be very, very much
17 appreciated.

18 I do want to say one other thing in closing. You
19 heard a lot about the good wonderful process at SCAG, the
20 big inconclusive process with both its members and
21 stakeholders. We had the benefit when we did our
22 blueprint of getting some of that good feeling as well and
23 understanding just what can happen when you get a broad
24 base of society involved and pushing in the right
25 direction. So we all know there are too many examples of

1 destructive community involvement out and about in our
2 society today at all levels of government. We've all
3 experienced at least a little bit of that in our own SCS
4 processes. But we have had, by and large, very
5 constructive engagement.

6 And in particular, I've got to give a shout out
7 to the environmental, housing, social equity,
8 environmental justice community. They have taken the time
9 to learn the details of this regional planning and what
10 we're doing in our region that I'm very grateful for.
11 They have been very good and kind at saying nice things
12 about the things that they see that they like, while
13 continuing to challenge us to do better in areas that they
14 and we know we're still not all the way there and need to
15 go. And I just deeply appreciate that. I wanted to say
16 that. But in finality, I want to say not one of them has
17 ever said they were a SACOG groupy.

18 BOARD MEMBER RIORDAN: Thank you.

19 I think maybe in the interest of time and unless
20 Board member -- oh, I do have a Board member.

21 BOARD MEMBER YEAGER: I do have a burning
22 question. I trying to remember how long ago it was. It
23 may have been six months or longer that the front page of
24 the Sacramento Bee they had a great map showing where the
25 population had increased and where it had decreased. And

1 the decrease was all in the urban core and the increase
2 was in the surrounding area. And there might be any
3 number of reasons for that as where the housing where was,
4 where the schools were, any number of things.

5 But given your plan, I'm just wondering how
6 you're handling what is happening in people's decisions
7 about where they want to live and if that is more of an
8 anti-urban feel here as opposed to many people want to
9 live more in the suburbs and how does that sort of mix
10 with what you're saying as far as increased transit and
11 in-fill development and lower VMT. I'm just wondering if
12 the two really are as in sync as much as perhaps you're
13 saying.

14 MR. MC KEEVER: Well, let me start by asking you
15 a question: Is everything that is in the Chronicle in
16 your area true?

17 BOARD MEMBER YEAGER: Yes.

18 (Laughter)

19 MR. MC KEEVER: That's not -- it was a friendly
20 smart remark.

21 You know, indulge me in saying the Sacramento Bee
22 has been a phenomenal help in the whole educational
23 process in the region. That particular story got it wrong
24 for two reasons. The time period that the data
25 represented included the first part of the decade where we

1 still were very much under the -- what we call the base
2 case growth pattern of growing outward and when the boom
3 was at its height. We haven't had much volume of growth
4 in the last three or four years as anybody else.

5 But more importantly than that, it got the
6 geography wrong. This is often misunderstood and is an
7 important point for all the regions in this journey that
8 we're on together.

9 The metropolitan region in Sacramento is not just
10 about downtown Sacramento. It is inconclusive of what you
11 might roughly call the inner ring suburbs. So in our --
12 specifically we go to Roseburg and sweep down through the
13 foothills of El Dorado County and Rancho Cordova, Elk
14 Grove over to west Sacramento. That's the metropolitan
15 core of the region. Nearly all of the growth in the
16 region has occurred within that. In fact, there was EPA
17 report out about six months ago that looked at those
18 patterns all around the country and praised areas that had
19 been making the most progress at putting high percentages
20 of growth in those metropolitan areas. And Sacramento I
21 think was third in the country at doing that within the
22 time period that they looked at. So we got work to do.
23 I'm not trying to paint utopia. But we're doing very well
24 at moving in the direction we want to go.

25 BOARD MEMBER YEAGER: Thank you.

1 BOARD MEMBER RIORDAN: Madam Chair, we've had Mr.
2 McKeever. So your choice is to move on or to -- we've had
3 one question.

4 CHAIRPERSON NICHOLS: Do other Board members have
5 specific questions that they wanted to ask Mike? We have
6 one here if you don't mind.

7 BOARD MEMBER D'ADAMO: Just a quick question.

8 This was in a staff report, but I imagine you
9 generated most of these slides. Slide number nine, plan
10 provides more small lot and attached housing in the
11 region. What's the distinction between single-family
12 small lot and single-family large lot, not just size of
13 the lot, but size of the house?

14 MR. MC KEEVER: We use roughly the same dividing
15 line as Christopher Nelson who did a study recently, I'm
16 sure as you know, of all the major regions in the state.
17 It's about 5,000 square feet is the dividing line.

18 BOARD MEMBER D'ADAMO: And any indication on size
19 of the home?

20 MR. MC KEEVER: I don't know the answer to that.

21 CHAIRPERSON NICHOLS: Okay. Thank you very much.
22 We'll call next on Bonnie Holmes-Gen, and then
23 Autumn Bernstein.

24 MS. HOLMES-GEN: Good afternoon, Chairman Nichols
25 and Board members.

1 Bonnie Holmes-Gen again with the American Lung
2 Association of California.

3 And I want to say I think it's really exciting to
4 see a plan with such tremendous improvement projected and
5 active transportation and transit and in-fill development,
6 such a tremendous improvement over the prior plans for
7 this region.

8 And I want to make this comment last time when
9 Councilmember Beccera was here. But in a SCAG meeting
10 yesterday, he talked about that there will be a
11 renaissance of active transportation in the Southern
12 California region. I feel like the plans that are being
13 developed in Southern California and Sacramento are really
14 trying to move us forward toward that renaissance. I
15 think that's an exciting way to frame and think about how
16 we're trying to move forward.

17 In the SACOG region, despite a reduced planning
18 budget, this sustainable community strategy will increase
19 bike lanes and double transit service, all the great
20 things you heard, increase jobs and housing near
21 high-quality transit. And all of this will result in
22 tremendous benefits for public health and reduce chronic
23 illness.

24 And we're pleased that SACOG staff has also taken
25 the goal of measuring and improving public health

1 seriously, public health impacts, and has applied for
2 grant funding, as mentioned, with the Strategic Growth
3 Council to make this planning effort a reality. We would
4 encourage you as a member of the Strategic Growth Council
5 to support this proposal and again to work with SACOG and
6 all the MPOs to support the ongoing measurement and
7 reporting on health and equity indicators.

8 And we have, as I mentioned earlier, submitted a
9 list of health and equity indicators that we believe
10 deserve special attention. We look forward to working
11 with you and ARB and working to provide more guidance and
12 assistance and modeling tools to SACOG and other MPOs and
13 help make this measurement and evaluation of health
14 outcomes, reductions in chronic illness, environmental
15 health and equity indicators come to happen.

16 And lastly, we again look forward to working with
17 you on the implementation effort. We think it's really
18 important that the Board develop a plan for how you're
19 going to be working with the MPOs as we go forward for
20 regular report backs, discussion about the progress, and
21 thinking about how ARB can stay in very close touch, be
22 encouraging, especially in the area of providing resources
23 and assistance in developing the kind of resources that
24 are needed to make these plans successful and effective.

25 Thank you very much.

1 CHAIRPERSON NICHOLS: Thank you.

2 We'll hear from Autumn.

3 MS. BERNSTEIN: Hello again. Autumn Bernstein
4 with Climate Plan.

5 I want to start by saying if the term groupy is
6 not invoked within the context of the SACOG plan, it's
7 only because SACOG has been a leader for so long and the
8 expectations are so high that it's really hard to say that
9 any of us are not -- we are all SACOG groupies, including
10 Hasan I think at this point.

11 So I do want to say a few things about this plan
12 because it is a very, very strong plan and it really
13 demonstrates SACOG's continuing leadership role. In the
14 interest of having a second bite at the apple today, I
15 appreciated the Board's conversation about lifting up some
16 of these innovative practices. And there are some very
17 innovative practices in the plan that I want to
18 specifically point to. I'll point to three.

19 One is the fact this plan has 13 percent less
20 money than its predecessor, yet it manages to increase
21 bike lanes by 77 percent and transit services nearly
22 doubles. And you saw one of the slides today talked about
23 the fact that \$2 million have been moved from roads to
24 transit. It shows it is possible. We can re-program some
25 of our poor decisions from the past. And that is

1 significant.

2 And lastly I also wanted to point out the
3 jobs/housing fit tool that's currently under development.
4 This is a very innovative tool, something that the rest of
5 the state would love to get its hand on. I hope ARB would
6 play a role in disseminating that and similar tools for
7 enhancing our evaluation of environmental justice, social
8 equity, and public health.

9 A couple other things I want to reiterate support
10 for the proposal that they have from the Strategic Growth
11 Council to do open space planning, to look at equity
12 indicators. I hope ARB will look at that and also try to
13 align some of your research funding, which I know you just
14 talked about on consent calendar this morning, to help
15 advance some of those goals as well.

16 And lastly, as is the theme today, implementation
17 is key. We do stand ready to work with SACOG and SCAG on
18 implementation and showing up on Tuesday nights when there
19 are projects on the table that matter, to helping make
20 sure the plan gets implemented. And I also wanted to put
21 in a plug for cap and trade revenues, anything you can do
22 to help move some of those our way I think would be great.

23 And finally, on May 2nd, we are on the Steering
24 Committee for a Transportation Choices lobby day here in
25 Sacramento where we'll be educating the Legislature about

1 the importance of funding transit. And check out our
2 website for more info on that. Thank you.

3 CHAIRPERSON NICHOLS: Thank you.

4 We have a group of I believe it's six people who
5 appear to be a group from the New Voices are Rising
6 organization. And I would hope you would all come down
7 together. I imagine you've worked out your presentation
8 in some fashion. And I'm assuming that Jill Ratner, who I
9 see at the head of the line here, will introduce this.

10 MS. RATNER: Thank you. My name is Jill Ratner.
11 And I, along with Myesha Williams, co-direct the New
12 Voices are Rising Project, which is a project of the Rose
13 Foundation for Communities and the Environment in Oakland.

14 We work with high school students in Oakland and
15 nearby cities to provide leadership and advocacy training.
16 And that's what they're here to do is to be leaders and
17 advocate. Our group today includes two current high
18 school students and also two of our graduates who have
19 come back to be peer leaders and work with other students
20 who are very honored to be able to speak with you.

21 We're really here to underscore the importance of
22 the Air Resources Board and staff looking closely at
23 environmental justice issues when reviewing the
24 Sustainable Communities Strategy Plans and following up
25 through the implementation phases.

1 Since we're from Oakland, which is an old
2 established urban center, in some ways, our comments might
3 have been more closely tied to the presentation earlier
4 today. But really, the key issues that students are
5 facing are issues that are being faced all the way across
6 the state. And the vision for the kinds of communities
7 they hope will come out of the sustainable communities
8 strategies planning process I think will sound very
9 familiar to our friends in Sacramento.

10 I want to read you something written by one of
11 our students who couldn't join us today, Steven Vance, who
12 attends McClymonds High School in West Oakland.
13 What Steven said is, "I like the idea of transit-oriented
14 development. It has to be mixed income with affordable
15 housing. If low income residents have affordable housing,
16 they have more money to invest in education,
17 transportation, and health care and other expenses.

18 "My vision for a sustainable community is a
19 vibrant neighborhood. You have everything concentrated in
20 one area so you don't have to travel far. My vision
21 includes grocery stores, healthy grocery stores
22 especially, and it's all concentrated in one neighborhood.
23 It makes a vibrant community when everyone is shopping in
24 that same community because you have money coming back
25 straight to that community.

1 "Also, the shops can be sources of jobs for the
2 low-income people who live there. If everything is
3 concentrated in one area, you don't really have to take
4 transportation out. Around the neighborhood, you have
5 parks where people can go play. You have swimming pools,
6 recreation centers for kids.

7 "My ideal neighborhood would have a lake or a
8 pond or something else beautiful. You'll also have trees,
9 a lot of trees, and a lot of community events and block
10 parties.

11 "This type of neighborhood where everything is
12 concentrated in one area is especially good for low-income
13 residents because it cuts down on the need to drive or use
14 public transit. And right now, low income people spend
15 more of their money on transportation. Just the same,
16 there has to be a good public transit system for people
17 who do need to transport out of the neighborhood, it needs
18 to be reliable."

19 If I can just flip right to his conclusion,
20 "Sustainable communities can educate people about living a
21 sustainable life. It's about changing the culture of a
22 neighborhood. And when you have a sustainable culture, it
23 inspires other communities to do the same." Thank you.

24 MS. WILLIAMS: My name is Myesha Williams, and
25 I'm the second staff person that runs the New Voices are

1 Rising Project with Jill Ratner.

2 I just wanted to say that I'm excited by the
3 opportunities that the SCS makes possible. And I just
4 kind of want to chime in on the same kind of note around
5 environmental health injustice. I grew up in Oakland,
6 California really on the Oakland/Emeryville border which
7 is ZIP code 94608. The ZIP code where my mother, father,
8 and grandfather still live has a life expectancy of 72.9
9 years, which is about ten years less than most affluent
10 neighborhoods in the East Bay such as Rockridge, 94618
11 where the life expectancy is 81.3 years. It is actually a
12 startling 15 years below Walnut Creek, which is 87.38
13 years.

14 When it comes to the childhood asthma
15 hospitalization rate, my family ZIP code fairs no better,
16 with 931 per 100,000 people being hospitalized for asthma,
17 compared to the Rockridge ZIP code where the rate is only
18 244 out of 100,000. The distance between these two ZIP
19 codes is only 2.1 miles.

20 We are here to say that these kind of
21 longstanding disparities are unacceptable. We are
22 fortunate now to have an abundance of information and data
23 about the ways in which place matters in regards to
24 quality of life and what elements of the built environment
25 can promote healthy outcomes. So we are better now

1 equipped to deal with these issues.

2 We see this sustainable community strategy as an
3 opportunity to put people first and standing up for those
4 kinds of people who live in communities like the ones I
5 grew up in who are paying with their health and their
6 lives and have been for a very long time.

7 I would love to see the staff and Board of the
8 California Air Resources Board take special care to ensure
9 that the plans that come out of the Sustainable
10 Communities Strategy actively address current disparities
11 with resources to achieve cleaner air, especially in
12 overburdened communities with equal access to
13 environmental benefits through the creation of complete
14 communities equitably. These plans should move us closer
15 to a place where opportunity to live a long and healthy
16 life is available to us all, despite what ZIP code you may
17 live in. Thank you.

18 MR. ERVIN: Good afternoon, Chairwoman and ladies
19 and gentlemen of the Board.

20 My name is Devilla Ervin. I'm 22 years old, and
21 I'm an environmental studies major. I've been part of the
22 New Voices are Rising Program since I was 14 and have
23 learned to speak up when there are issues in our
24 community.

25 I'm here in support of the Sustainable

1 Communities Strategies process. However, it is important
2 that we keep in mind some possible issues that may arise
3 surrounding these strategies.

4 I'm from Oakland, and I want plans that will help
5 break the cycle of environmental inequalities that have
6 plagued the city I love and similar low-income communities
7 and communities of color throughout the state of
8 California.

9 The issue that I particularly urge the Air
10 Resources Board to consider in reviewing the regional
11 plans is the threat of gentrification. Reversing sprawl
12 and focusing transportation investment and new development
13 within existing urban boundaries are key strategies for
14 reducing vehicles miles traveled and associated greenhouse
15 gas emissions.

16 At the same time, it is important to remember
17 that the areas identified as priority development areas
18 are important in parts of cities where low-income
19 residents are vulnerable to being displaced. Living in
20 Oakland, I have known many people who found themselves
21 forced to leave their neighborhoods when new developments
22 cleaned up or improved our neighborhoods at the expense of
23 the residents. In the past five years, the culture and
24 identity of my neighborhood has drastically changed and
25 the people I grew up with are now looking for places to

1 live, sometimes moving to more polluted parts of the city,
2 sometimes moving further out into the suburbs where
3 housing is less expensive, sometimes leaving the area all
4 together.

5 As plans for new construction in these priority
6 development areas become a reality, we are afraid that
7 renting homes in our neighborhoods will be out of reach
8 for those of us who have grown up there, as the same
9 neighborhoods catch the attention of those persons who
10 have not historically found these areas attractive.

11 When the Air Resources Board evaluates and
12 comments on a Sustainable Communities Strategies Plans, it
13 will be important to make sure that the plans include
14 effective strategies to avoid displacement of current
15 residents, including strategies to increase the
16 availability of affordable housing and retain businesses
17 that serve the existing community.

18 Without careful, conscious planning, more
19 low-income residents will be pushed out to less attractive
20 and more polluted parts of the city. This will lead to
21 more environmental inequalities. These same residents are
22 already people that suffer from high hospitalization
23 rates, cardiovascular illness, cancer, and lower life
24 expectancies. We should not add to the list of issues
25 these residents already have to worry about. We should be

1 the ones to offer solutions. Thank you so much.

2 MS. BARRON: My name is Brenda, and I'm a high
3 school student from the Public Health Academy.

4 So transportation shapes every part of our lives.
5 Public transportation impacts low-income people more than
6 high-income people.

7 I've been taking public transportation since I
8 was five years old. And it changed a lot. Bus stops have
9 moved further from my house. There are fewer buses and I
10 have to wait longer most of the time. Night services have
11 been reduced. The bus I take stops at 10:00 p.m.

12 When you and your staff review the Sustainable
13 Communities Strategies Plans, please look at their impacts
14 to public transportation.

15 Some things that I would like to see changed is
16 the bus services restored and improved. I would like to
17 see the buses and BART trains cleaner and so people won't
18 get health problems. I would like to see eco-friendly
19 buses and cars so they won't cause pollution and hurt the
20 health of people who rides them and live near the bus
21 routes.

22 It would be better if BART stations and bus lines
23 will be closer to the house so people would have reasons
24 to take bus and BART. People would drive less and take
25 public transit if it was cheaper. I've seen bus fares and

1 BART fares go up a lot. Most people can't afford the cost
2 of the bus fares, so it will be better if you could have
3 cheaper transportation for them.

4 Thank you.

5 MS. MA: Hi, Chair Nichols and Board members. My
6 name is Amy Ma, and I'm part of the Public Health Academy
7 at Oakland High. And it's very new, and I'm just started
8 as a sophomore.

9 There are many problems in the world. Some are
10 personal, work related, or other things. There are still
11 problems we have to deal with. But one thing we have to
12 do is eat. Unfortunately, not all people have access to
13 healthy affordable food.

14 At my academy, we did a community mapping project
15 to determine where student go during lunch. We mapped out
16 the stores in the area and found out that most of the
17 stores students go to are fast food stores and liqueur
18 store. Why is this so? Why are fast food stores so
19 population with students? Well, they are appealing
20 because liqueur stores are so close by to us and they
21 offer cheap foods that students can afford to eat during
22 lunch.

23 We also mapped out how they are getting to those
24 stores. Most of the students walk to the nearby liquor
25 stores or take the bus to nearby fast food restaurants.

1 We found that access to fast food stores and liquor stores
2 are more pronounced than grocery stores because of the
3 easy access to liquor stores, which is a distance of a
4 couple blocks versus a grocery store, which is 20 blocks
5 away from their home or school.

6 This creates food deserts which is a problem all
7 over the world. And with food deserts around, people are
8 forced to eat unhealthy food which leads to a difference
9 of life expectancy from about ten years. For example, in
10 Oakland, in North Oakland, there is a ten-year difference
11 in West Oakland. That's just in one city. So with these
12 preventions to good food, this will help lead to different
13 life expectancy. Thank you.

14 MS. MC GHEE: Afternoon, Chairwoman Nichols and
15 members of the Board.

16 My name is Christina McGhee. I graduated from
17 Oakland High in 2008, and I'm an alumni with New Voices
18 are Rising. Thank you for taking the time to hear us
19 speak today.

20 Any planning agency must take many aspects of the
21 community into consideration when making decisions. We
22 are here to urge you to prioritize environmental justice
23 aspects when receiving regional sustainable community
24 strategy plans to make sure that historically burdened
25 low-income residents and residents of color can benefit

1 equally in the planning processes and to make sure they
2 are not further burdened, especially in dealing with
3 pollutants in their communities.

4 Solutions to reducing greenhouse gas pollutants
5 include building housing near transit. One of the
6 dilemmas with doing so, however, is that many existing and
7 new transit corridors are on or near or have the potential
8 to be near various environmental hazards. BART, for
9 example, has stations that exist alongside Interstate 880,
10 which is a heavily traveled designated truck route. These
11 trucks emit diesel particulate matter into the communities
12 that they constantly drive through, contributing to the
13 high rates of asthma and other respiratory problems.

14 Another issue is locating housing near transit
15 hubs that are near Super Fund sites or Brown Fund sites.
16 Super Fund sites, such as Ammco Chemical in Oakland and
17 Brown Field sites such as the Fruitville Village where
18 complications occur when discussing planning.

19 Yes, we need to be able to develop this land for
20 use, but is developing the land for transportation needs
21 or housing needs going to have negative health effects on
22 the people who live, work, and play in these grounds?
23 Environmental issues need to be considered at this
24 junction in order to make equitable decisions about the
25 health of the community.

1 Ultimately, transit-oriented development is a
2 great thing and we support it. However, these development
3 projects must be done in a way that minimizes any exposure
4 to environmental hazards. We strongly urge you to place
5 the health of the community as a priority from start to
6 finish in reviewing proposed sustainable community
7 strategy plans. Thank you.

8 CHAIRPERSON NICHOLS: Thank you.

9 That completes the presentation. We appreciate
10 your coming. Appreciate the fact that SB 375 provided an
11 organizing tool, and we will take your words to heart.
12 Thank you.

13 Amanda Eaken is next.

14 MS. EAKEN: Chairman Nichols, members of the
15 Board, in gracious recognition of our second opportunity
16 to comment today, I will be brief.

17 I think you've heard a lot about the
18 accomplishments of the plan, so I'm not going to go into
19 the details. But it is quite an impressive plan. I think
20 one way we can think about this plan today is that SACOG
21 is an example of how this whole scenario planning process
22 gets easier over time. SACOG has been working diligently
23 with seven years since the first blueprint of 2005 and in
24 some ways had a head start. To us, this plan provides
25 encouragement that the other regions SCS's will continue

1 to progress as we've heard from others today.

2 I also want to take a moment to remind us that at
3 the beginning of the Regional Targets Advisory Committee
4 process, the Bay Area was arguing that their target should
5 be five percent and three percent for 2020 and 2035
6 respectfully. And you may remember that a certain Chair
7 of the RTACC who also happens to be the SACOG Executive
8 Director was adamant that we set the targets at the
9 appropriate sweet spot of the ambitious and achievable
10 just to make sure we get the right kind of innovation
11 going at the regional level.

12 I did want to thank the Air Board and the staff
13 for heeding the sage recommendations of the RTACC and
14 adopting ambitious achievable targets that are resulting
15 in good plans. And as you move to the rest of the state,
16 to think seriously about the kinds of innovation you want
17 to inspire elsewhere.

18 And then finally a word on implementation. As
19 you've heard today over and over, these regions are doing
20 some terrific work, creating land use patterns that
21 significantly reduce the need to drive and greenhouse gas
22 emissions. But these plans we all recognize are just on
23 paper right now. And as Dr. Sperling mentioned, the local
24 governments need planning incentives and infrastructure
25 funding if these plans are going to deliver on their

1 promise.

2 That's where you come in. This is, of course, a
3 debate that's been referenced earlier today. But the Air
4 Board will have, I think, a real role in shaping the
5 allocation of the cap and trade revenues.

6 And I think I can speak for many of the
7 stakeholders in this room -- although where did they all
8 go? They all left after SCAG apparently -- when I say
9 that local governments, MPOs, builders, that
10 implementation of SB 375 should be a priority use of those
11 revenues.

12 I think we similarly need the weight of the Air
13 Resources Board to weigh in with the Legislature about the
14 urgent need to revive redevelopment as a critical tool.
15 We just had a conversation with Larry McCallon over lunch
16 about how many projects are tragically stalled in his city
17 of Highlands because redevelopment has just come to a
18 grinding halt. So we need to bring back that tool. And I
19 think there's an interesting opportunity. There is always
20 opportunity in chaos to re-focus redevelopment on SB 375
21 and the transit-oriented development and the kinds of
22 development that help reduce emissions. That's it.

23 I want to thank the Board and your staff for the
24 leadership and look forward to working with you in the
25 months to come.

1 CHAIRPERSON NICHOLS: Thank you for sticking
2 around.

3 Hasan.

4 MR. IKHRATA: Chair Nichols, Board members, good
5 afternoon again.

6 I'm definitely a SACOG groupy. And on behalf of
7 the President O'Connor, Immediate Past President Larry
8 McCallon, on behalf of the 120 staff I'm really grateful
9 for SACOG and for Mike, especially for you.

10 Just reminding all of us that they actually
11 started Sustainable Communities Strategies before any of
12 us. He was either here or the State agencies were
13 responsible to make blueprint funding available for
14 regions like ours to start a Compass program.

15 So, yes, they don't have groupies. And, yes they
16 didn't have a cute kids saying, "Let's get to work." But
17 they do have an excellent plan and I am very proud.
18 Somebody asked me, "Do you guys get together and say go
19 testify on behalf of each other?" And I can answer no.
20 But we do meet a lot, thanks to 375. And we do know
21 everything about our plan. And I want to thank Mike and
22 his staff for sharing their experiences in the past that
23 made our plans better.

24 So I'm here to urge absolute support for this
25 excellent plan for Sacramento area. Thank you.

1 CHAIRPERSON NICHOLS: Thank you.

2 Kendra Bridges and then Larry Greene. And Larry
3 will be our last witness.

4 MS. BRIDGES: Good afternoon, Chair and members
5 of the Board. Thank you for the opportunity to speak
6 today.

7 I wanted to start out by thanking SACOG and its
8 staff for the opportunity to participate in a really
9 meaningful public participation process. I work with the
10 Sacramento Housing Alliance and also our Coalition on
11 Regional Equity, which brings together a wide variety of
12 groups from across the region interested in helping
13 promoting land use mainly for our low-income communities
14 and communities of color. So we found the process very
15 meaningful. And we look to continuing to work with SACOG
16 as the plan is implemented.

17 I came here today to tell you that we feel that
18 the SCS is an very important opportunity for our region to
19 both make sure that we move forward in reducing greenhouse
20 gas emission reductions, but also to make sure that all of
21 the communities in our region benefit from this process.

22 Several people before me have commented,
23 including Autumn Bernstein and Parisa Fatehi-Weeks on the
24 importance of making sure that low-income communities and
25 communities of color aren't displaced or otherwise

1 affected by these plans. So I won't go into a ton of
2 detail there, but we definitely echo those comments and
3 are very interested in seeing that those concerns are both
4 addressed within the plans and also considered by your
5 Board in approving these plans in the future.

6 We're very happy to see all of the transit
7 investment in prioritization of transit and bicycle and
8 pedestrian funds in our region and look forward to seeing
9 this plan implemented and this plan improving our
10 communities in the next 20 years. Thank you.

11 MR. GREENE: Mike says uh-uh.

12 Chairman Nichols and members of the Board, I
13 guess you can imagine how wonderful it is to be an air
14 district and have an organization like SACOG working with
15 you in your region. The last transportation plan they put
16 together had significant benefits for the air quality plan
17 they were putting together for ozone at the same time.
18 And this new plan similarly just advances upon that.

19 SACOG has been a tremendous collaborator for us,
20 and I think that their efforts and Mike's efforts working
21 with the rest of the folks in the state have done a
22 tremendous job of moving the whole thing forward. But
23 that has benefits for air quality that are just
24 immeasurable and they're going to be shown over the years
25 to roll into the greenhouse gas and other things like

1 that. So criteria pollutants, toxics, greenhouse gases,
2 all that goes together and this plan helps all of those.

3 One thing I wanted to mention was implementation.
4 Implementing this plan is going to be critical, and that's
5 where organizations like mine are going to come in. We
6 work closely with SACOG and the other transportation
7 agencies. As time goes on, we do that every day
8 throughout the year looking at projects working with
9 communities, making sure that their plans conform to air
10 quality and greenhouse gas requirements.

11 We are going to be one of the agencies along with
12 many other organizations such as Lung and Climate Plan
13 looking at plans as they move forward. And we're going to
14 be a vital part of that effort supporting SACOG as we move
15 forward in time to ensure that the vision that they've put
16 together here and the vision that I know that you support
17 is going to be implemented as we moved across time.

18 So we commend them. We support this effort very
19 much. And we thank them very much for being so proactive
20 and visionary in what they've done.

21 CHAIRPERSON NICHOLS: Thank you.

22 And that is the end of my list of witnesses. So
23 again, this is an opportunity for input and some
24 direction. It's not a vote on anything at this time. But
25 does any Board members have any comments that they would

1 like to make? Now would be the time to do it. If you
2 must --

3 BOARD MEMBER SPERLING: Kudos.

4 CHAIRPERSON NICHOLS: I think we expended all of
5 our energy.

6 BOARD MEMBER SPERLING: Kudos to SACOG.

7 CHAIRPERSON NICHOLS: That we can definitely do.
8 I think all of us are delighted to be able to join in an
9 occasion to praise work that's good. And it's nice to be
10 able to do that.

11 I think although the people that we heard from
12 from Oakland obviously we're not directing their testimony
13 at SACOG in particular, their comments do raise in my mind
14 again sort of what ARB's role in all of these issues is,
15 because I sort of see two distinct strands. One is if a
16 plan is based on assumptions about what's going to happen
17 in the future, which are contrary to reality. If, for
18 example, as we hypothesize before you had some sort of
19 development strategy that resulted in nothing but
20 gentrification happening in dense areas and poor people
21 being forced out into distant rural communities, obviously
22 that would undermine the validity of the assumptions. And
23 you can honestly say the plan was not going to achieve the
24 goals in terms of CO2. That's something that you can
25 analyze for I think and develop tools really metrics for.

1 The other piece of this is sort of an affirmative
2 responsibility that all agencies, includes ours, have to
3 look at what we're doing from the perspective of how we're
4 acting to improve the state of environmental justice or at
5 least prevent environmental injustices from happening.

6 On that front, we don't actually have a lot of
7 tools that are ARBs or jurisdiction in that area. There
8 may be things we can identify or talk about. But
9 listening to this concern about what would happen, what
10 will happen if areas are made more attractive and
11 therefore poor people can't afford to live there anymore
12 obviously raises questions about our policies with respect
13 to affordable housing. And I have to admit I just don't
14 know a lot about what tools are available, what is being
15 done or what could be done that's better than what exists
16 today to try to maintain mixed communities and have
17 diversity of income levels as one of the goals of those
18 communities.

19 So I don't know if this is something that, Mike,
20 you want to comment on from your perspective as the person
21 responsible for developing this kind of plan. But since
22 this is your plan we're talking about, maybe you might
23 just take this opportunity to educate us a bit about your
24 thinking on this.

25 MR. MC KEEVER: Well, it's a really, really

1 important issue. And it's become more important when the
2 background numbers for all of society are the income and
3 equality and all of society is growing so much in this
4 country. And there are I don't know how many studies have
5 come out just in the last six months, many of them
6 worldwide, some of them in this country. Most of them
7 from main stream economic development institutions that
8 are drawing the clear correlation between rising income
9 and equality and lower overall growth rates, economic
10 growth rates. That's the kind of statistic that tends to
11 take what can be a polarizing discussion and find the
12 common ground in it.

13 So I'm afraid I don't have any silver bullets.
14 But we certainly get the issue. We're working very hard
15 to try to develop the tools and find the metrics. The
16 answers are not all obvious.

17 And I'll probably step in a little bit here
18 saying something about gentrification. The problems of
19 gentrification are clear and have been eloquently
20 articulated throughout the day. But you also need rising
21 property values in these transit priority areas.
22 Otherwise, you will never get the investment that is
23 necessary to attract a true diversity of incomes,
24 families, into those areas.

25 And so that's not to diminish the importance of

1 finding ways to counteract the gentrification effect.
2 It's just to say it's not a simple -- even getting the
3 metric right, let alone knowing what tools to bring to
4 bear to sitting on whatever metric is right is not simple.
5 And we would -- this is to my comment earlier. We very
6 much appreciate the intellectual and advocacy energy being
7 placed on this issue. We're committed to being partners.
8 We would love to continue working on this together. I
9 think it's a really important issue.

10 CHAIRPERSON NICHOLS: I think it's something we
11 definitely need to be investing some of our attention and
12 funding into.

13 Mrs. Riordan.

14 BOARD MEMBER RIORDAN: Yes, Madam Chairman,
15 unfortunately, within the redevelopment law, there was the
16 set aside for low and moderate income housing, which is --
17 now not being in public office, I'm going to assume
18 disappeared along with everything else in redevelopment.
19 But if there is something following that you mentioned
20 that we yet don't have a name for, but it links to SB 375,
21 part of that might regenerate itself in set aside for low
22 and moderate income housing. And that's how you get a
23 balance. You have to subsidize that balance. But then
24 you can clearly obtain concessions for long term low and
25 moderate income housing. It goes with the --

1 CHAIRPERSON NICHOLS: It was part of the tool
2 that we lost.

3 BOARD MEMBER RIORDAN: And that's too bad.
4 Because that was an important element if we want to
5 safeguard this particular issue.

6 BOARD MEMBER SPERLING: Let me add to this and
7 help out Mike a little here, too.

8 If you put this in context, years ago, there was
9 some really horrendous social justice things that happened
10 with transportation. And back in the 50s and 60s when we
11 built these interstate freeways right through the middle
12 of cities where you go through ethnically based lower
13 income neighborhood and really destroyed a lot of
14 neighborhoods. There were some really bad things that
15 happened.

16 It's a lot more subtle now when we talk about the
17 EJ and social justice issues. And when we talk about
18 gentrification, you know, overall, that's a very positive
19 process. It is -- and from an EJ perspective, it can also
20 be looked at. This is generating a lot of new jobs, a lot
21 of new economic activity. And so you want that. But at
22 the same time, you want to make sure that people aren't
23 losing -- disadvantaged people aren't becoming even more
24 disadvantaged and displaced.

25 So just what Board Member Riordan said, you know,

1 there are ways of dealing with it. But it's just like you
2 want a strong economy, there are going to be changes that
3 happen and we want to work with it. And I think the
4 responsibility for the MPOs is to try to understand it a
5 little better in terms of how to make sure to mitigate any
6 bad effects from happening.

7 CHAIRPERSON NICHOLS: Thank you very much.
8 Appreciate your willingness to participate in this
9 conversation.

10 Okay. Mayor.

11 BOARD MEMBER LOVERIDGE: Calling on sort of a
12 more general observations, but let me make several of
13 them.

14 One, in many ways, all of California has sort of
15 gentrified itself by the housing prices as compared to
16 other states. And where Ken Yeager is is sort of a
17 gentrification county in terms if I wanted to buy a house
18 there, it's very difficult for me to do it.

19 But at least from what I can tell -- this kind of
20 thing really calls out somebody that's into tomography and
21 what's happening. I think the gentrification numbers are
22 fairly modest. But where the poverty is showing up now is
23 the first tier suburbs, the older suburbs around major
24 metropolitan regions and certainly through the Los Angeles
25 area.

1 But I think we've got to be very careful on
2 gentrification, but I think you get back in the
3 generalization that Mr. Sperling made that it's a problem,
4 but it's a fairly minor problem in terms of big numbers.
5 Comments evoke observations.

6 BOARD MEMBER SHERRIFFS: Although we're not sure
7 we have the tools to deal with this, at the very least, I
8 think we want to ensure that the plans are measuring these
9 things. That's a huge step forward to at least understand
10 what's going on and what the effects are, because these
11 are clearly things we can focus more attention on. If we
12 don't know what's going on, we're without data.

13 CHAIRPERSON NICHOLS: I think that's very true.
14 I think there's still work to be done on improving those
15 tools for doing the measuring and agreeing on what exactly
16 it is we need to measure. But that definitely is in the
17 ARB's general area of expertise.

18 Yes. Yes.

19 BOARD MEMBER BALMES: So you just want to say I
20 think I've just become a SACOG groupy, because there is a
21 first attempt at measuring some of these things. There is
22 some metrics that are built into the SACOG plan, and I
23 really applaud you for that. We're obviously going to
24 need to do more based on my comments earlier. But hear
25 hear.

1 CHAIRPERSON NICHOLS: Okay. I think that's
2 enough praise for SACOG.

3 MR. MC KEEVER: I do have one final thought.
4 You've been asking what you can do to help. I think when
5 the SCAG Board adopts their plan on April 4th of their
6 general assembly, you ought to throw them a parade.

7 CHAIRPERSON NICHOLS: A parade. But with only
8 electric vehicles.

9 (Laughter)

10 MR. MC KEEVER: I think the Chair and Hasan would
11 be a very attractive couple in the lead car.

12 CHAIRPERSON NICHOLS: We have two more items,
13 both of which I think are reasonably compact. The first
14 is just a report from our Ombudsman. And I will say a few
15 words while she's getting organized here.

16 Two-and-a-half years ago, we hired La Ronda Bowen
17 as our Ombudsman. Hard to believe that much time has
18 passed, actually. It's flown by. But when La Ronda
19 joined us, it was with an explicit mandate to help us meet
20 a great need to make sure that our office was at the head
21 of the nation when it came to ensuring that the voices of
22 California's small business owners are heard. We had been
23 hearing repeatedly in connection with the development of
24 the Scoping Plan for AB 32, but on other issues as well,
25 and obviously as the economy was also going into a

1 terrible recession that small businesses in particular
2 felt that they were not being heard in ARB's regulatory
3 processes, that they weren't necessarily considered when
4 we designed our regulations, and they were lacking in
5 information and tools to understand or comply with those
6 regulations.

7 In the first few months on the job, La Ronda
8 focused on making her office more proactive and
9 responsive. Since then, she's engaged throughout the
10 organization, as we asked her to, to touch on every single
11 part of our program and to look for opportunities to
12 infuse small business thinking into the organization. She
13 and her team have been an important resource for small
14 businesses who need assistance. I don't hesitate to lean
15 on her or her staff to go out when I need help in meeting
16 with or reaching out to communities. And I know others of
17 you do the same.

18 She has reached out very effectively not only to
19 business, but to environmental, local government and other
20 public agency stakeholders looking for ways to find common
21 ground, fresh ideas for strengthening our programs, as
22 well as helping with other's agendas as well as for the
23 good of the state as a whole. And she always gets
24 positive feedback wherever she goes. And she's opened a
25 lot of new doors for us.

1 So I thought it was a good opportunity to have
2 her come in and just give us an update on what's going on
3 with the Ombudsman's office. Oh, Mr. Goldstene.

4 EXECUTIVE OFFICER GOLDSTENE: La Ronda's idea is
5 that the Ombudsman should serve as a strong force within
6 the organization to articulate and integrate stakeholder
7 interests throughout everything we do every day. To
8 better serve all stakeholders, La Ronda has focused on
9 creating stronger connections between ARB, other State
10 agencies, the air districts, and the private sector. This
11 includes making better use of technology and in working on
12 improving communication in various ways.

13 La Ronda is helping us get into the field where
14 our customers are, rather than waiting for them to come to
15 us. In subtle but significant ways, she has been changing
16 our internal culture when it comes to working with small
17 businesses. So now La Ronda, please present your
18 overview.

19 (Thereupon an overhead presentation was
20 presented as follows.)

21 OMBUDSMAN BOWEN: Thank you. Good afternoon.

22 In 2010, I presented this Board with the
23 Ombudsman's Business Plan for the developing the office
24 that would serve all Californians with an interest in the
25 work that CARB does to reduce air pollution, control

1 greenhouse gas emissions, and protect public health.

2 Our priority was to establish mechanisms for
3 meeting and exceeding federal and State mandates in the
4 areas of business assistance, problem solving, and
5 environmental education. I'm happy to report that at the
6 end of 2011 we had implemented about 50 percent of that
7 business plan.

8 Today, I will provide an overview of those our
9 mandates, emphasize some of the key compliance assistance
10 strategies, tools, and partnerships that the Ombudsman
11 uses. And I will provide an update on how we continue to
12 support air quality education. And finally close by
13 sharing a snapshot of the international reach of ARB's
14 work and the Ombudsman's goals for 2012.

15 --o0o--

16 OMBUDSMAN BOWEN: The Air Resources Board has a
17 big customer base for its product of clean air, healthy
18 air. Ombudsman is the bridge between ARB for California's
19 37 million residents, including the 3.4 million of them
20 who own small businesses. Of those, many use processes or
21 equipment that emit something into the air and are
22 regulated by the Air Resources Board or local air
23 district. When air regulations are unclear or present
24 compliance challenges, the Ombudsman is often asked to
25 help. And we'll discuss more about this in later slides.

1 Also, when non-regulated residents have questions
2 or complaints, they call or e-mail the Ombudsman. When
3 teachers need resources for environmental education or
4 college professors need information for students
5 interested in pollution as a career, they call us.

6 Often, members of the Board, as well as ARB's
7 executive and line staff, look to Ombudsman to provide
8 internal feedback loop on what is working well and on
9 areas where we can improve. Through the Ombudsman and
10 other mechanisms, ARB is constantly listening and
11 responding to our customers and using what we learn to
12 shape policy regulations.

13 --o0o--

14 OMBUDSMAN BOWEN: The laws that help define the
15 role of the Ombudsman are the Environmental Education
16 Initiative, the California Government Code, the Section
17 507 of the Clean Air Act Amendments.

18 The EEI required development of an environmental
19 curriculum for K through twelve schools and the Air
20 Resources Board worked with Cal/EPA agencies and welcomed
21 the approval of that curriculum last year. Since then,
22 the Air Board has worked to support its implementation and
23 I will describe that at the end of this presentation.

24 California Government Code requires the Ombudsman
25 to provide outreach, investigate and seek solutions to

1 complaints, and work to achieve California's procurement
2 goals for small, micro, and disabled veteran businesses.
3 That work is actually done through our Administrative
4 Services Group.

5 Congress included section 507 and Title 5 of the
6 1990 Clean Air Act Amendments anticipating the challenges
7 small businesses owners would face with new regulations.
8 It required each state to establish and maintain a small
9 business technical assistance program as part of having a
10 fully approved SIP. Typical 507 duties include
11 developing, collecting, and coordinating information on
12 compliance methods and technologies, ensuring adequate
13 mechanisms for timely notification to small businesses,
14 ensuring regulations are written in plain language,
15 helping businesses with permitting and pollution
16 prevention, and developing and promoting compliance tools
17 and resources. 507's goal is to bridge the gap between
18 the expertise small business owners have and what they
19 need to participate in rule development and understand how
20 to comply.

21 In many ways, the California Government Code and
22 the Clean Air Act form the nucleus of the routine work of
23 the Ombudsman's office as we work with all ARB customers.
24 For today's presentation, we will focus on small business.

1 OMBUDSMAN BOWEN: Why is small business
2 important?

3 Small business equals innovation and jobs.
4 According to the California Economic Strategy Panel's 2010
5 economic profile of California in which this chart that
6 you see on the right was a footnote, small businesses with
7 fewer than 100 employees represent about 98 percent of the
8 businesses in California and provide approximately 55
9 percent of our jobs.

10 Now, if anyone thinks a company with just four
11 employees is not very important, consider Solazyme, a
12 south San Francisco company that cultivates and grows alga
13 to make products, including one that is very important to
14 the ARB, biodiesel. In 2006, Solazyme received a small
15 businesses innovation and research grant. With that
16 grant, it developed an algae that drew the interest of the
17 US military.

18 Next, it earned a Phase 2 small business
19 technology transfer grant, which attracted venture
20 capital. Then with the half million dollars in revenue
21 and about a dozen employees, it completed its Phase 2
22 effort and secured a contract with the military to fully
23 commercialize its product.

24 In the three-year period ending in 2010, Solazyme
25 had grown more than 20,000 percent. It had 104 employees

1 and 2010 revenue of \$38 million. Recently, Solazyme was
2 named number one in the 2011-2012 50 hottest companies in
3 bioenergy.

4 So this story illustrates three points: That
5 micro businesses grow into significant engines for new
6 technologies that ARB needs to achieve healthy air and
7 that California need for a sustainable economy; that
8 government's role includes nurturing those businesses,
9 even if it is only a referral to the right place. And
10 that achieving policy objectives and small business
11 innovation are inter dependent.

12 Solazyme did not seek help from the ARB, but
13 others have. Since 2010, we have referred promising
14 start-up technology firms to the SBIR/STTR programs, the
15 California Energy Commission, Lawrence Berkeley National
16 Labs, and the California Manufacturing Partnership for
17 grants or technical assistance. We have referred
18 businesses seeking federal contracts to the Federal
19 Technology Center and SBA's on-line self-training and some
20 seeking management help to the small business development
21 centers. We work to connect small businesses to
22 opportunities, knowing that in the long run some of these
23 businesses will thrive and provide jobs for Californians
24 and create fresh ideas to reduce pollution and enhance
25 health.

1 --o0o--

2 OMBUDSMAN BOWEN: Small business owners
3 consistently identify regulatory compliance among their
4 concerns as they try to grow their business and remain
5 competitive. Compliance requires information, technical
6 and financial resources, and a way to resolve problems
7 before they become enforcement issues.

8 The first steps to ensuring compliance with the
9 rule is to make sure that businesses are at the table when
10 the rule is being developed and to ensure that the rule is
11 available in understandable language.

12 With limited resources, most small businesses can
13 not afford the time to come to rule workshops. To ease
14 this problem, ARB webcasts many of its regulatory
15 workshops. Ombudsman staff raise issues they are aware of
16 from a business perspective, and staff uses a variety of
17 tools to reach out to industry, suppliers, trade
18 associations, and businesses.

19 ARB also use financial programs, air quality
20 compliance assistance classes, including webinars, and
21 educational materials to ensure that businesses can
22 successfully comply with rules.

23 Sometimes a businesses makes a good faith effort
24 to comply with the regulations but encounters a roadblock.
25 When that happens, the Ombudsman is here to help. Here's

1 one example on ARB teamwork on behalf of a customer.

2 Mr. A timely purchased and had a filter installed
3 on his diesel truck. He first contacted ARB's Retrofit
4 Implementation Section in March of 2011 to complain the
5 filter was not working. He believed it was installed
6 incorrectly. Because Mr. A was a Spanish speaker, his
7 call was forwarded to the Spanish line at the Ombudsman
8 office where staff could help him in his native language.

9 Ombudsman staff worked with Stationary Source
10 Division staff from the Project Support Section and
11 collected enough data to question the installation of the
12 filter. Mr. A was given a time extension on compliance
13 with the drayage rule so he could keep working while staff
14 further investigated the problem.

15 As a result of the Ombudsman and SSD data
16 collection effort, Mobile Source Control Division
17 investigated the installation and determined that the
18 filter had, in fact, been installed incorrectly. Mr. A
19 received a full refund for the price of the filter and
20 installation, which he used to purchase a 2008 model year
21 engine. He is now in compliance with the drayage
22 regulation until 2023.

23 While not every problem is solved so
24 successfully, both the ARB and our customer's always gain
25 greater understanding and knowledge that we can use going

1 forward.

2 --o0o--

3 OMBUDSMAN BOWEN: Hot lines are a major tool in
4 ARB's compliance assistance efforts. The ARB operates
5 about 17 discrete hot lines to provide our customers with
6 easy access to ARB staff. Historically, the busiest lines
7 are the 866 diesel number operated by the MSCD in
8 Sacramento and the motor vehicle information help line
9 operated by Ombudsman staff in El Monte. Depending on
10 whether ARB has an eminent rule registration or funding
11 deadline approaching, calls typically range between 2,000
12 and 7,000 calls per month on each of these lines.

13 --o0o--

14 OMBUDSMAN BOWEN: The chart above is an example.
15 In 2011, the El Monte office received over 48,000 hot line
16 calls. The largest number of calls, just under 15
17 percent, were associated with automobile recalls.
18 Aftermarket parts and engine changes and catalytic
19 converters made up approximately 12 percent and 10 percent
20 of the calls respectively.

21 --o0o--

22 OMBUDSMAN BOWEN: Web resources. In 2011,
23 business assistance was added to the red bar at the top of
24 every ARB web page. The A to Z index at the top of the
25 page in blue makes it easy for customers to find what they

1 need alphabetically. Business assistance web links
2 include sources for permitting support, direct access to
3 local air quality districts, and other city or county
4 resources and various financial incentives.

5 The Ombudsman's office has just completed new web
6 pages that provide county-specific demographic information
7 that can assist ARB staff in regulatory outreach as well
8 as assist businesses in finding local sources of air
9 permits and city agencies that may be able to answer
10 questions that ARB staff can cannot.

11 CHAIRPERSON NICHOLS: Can I just interrupt with a
12 question on that? One of the most frustrating things I
13 find when I visit web sites is they don't tell you a name
14 of a live person who's actually there who can answer the
15 phone for you or the name of a person who will respond to
16 an e-mail. I couldn't read the tiny print on this to let
17 me know if that was there. And if it is, are you keeping
18 it up to date?

19 OMBUDSMAN BOWEN: Yes, it is. If you click on
20 the website we just put up, you click on the city. You go
21 into your county and find your city, and we have the air
22 district. We have the contact information for the
23 Executive Officer. We have our staff who's here, their
24 contract information. And we have Vasve who's whole job
25 is to keeping all of this up to date and current. We

1 check it. He just went through and changed all of the
2 demographic information to match the new Census Bureau
3 information. So it actually if you go in and click on Los
4 Angeles County and you pick on the city of L.A., if you
5 look in the county page you can actually see what are the
6 kinds of businesses, what zip codes are they in. You get
7 that kind of information. You click on the city, you find
8 the air district. You click on South Coast, you'll get
9 Barry Wallerstein's contact information.

10 CHAIRPERSON NICHOLS: Have to see if Barry is
11 answering his phone.

12 OMBUDSMAN BOWEN: Somebody will. They'll make
13 sure you get to the right place and you get Larry Greene
14 too.

15 Does that answer your question?

16 CHAIRPERSON NICHOLS: Yes, thank you.

17 OMBUDSMAN BOWEN: Another thing we're trying to
18 do is maximize our resources. An ongoing effort of the
19 Ombudsman staff is to leverage our time and resources by
20 connecting with other government, private, and nonprofit
21 entities. We proactively share tools, outreach
22 strategies, and knowledge within and outside of
23 California.

24 For 2011, for example, Department of Toxics
25 Substances Control incorporated the Cool California

1 website, which was an AB 32 early action item into its
2 enabling legislation establishing a California Green
3 Business Program. In fact, this collaboration flows in
4 multiple directions. ARB worked with DTSC and Cal Recycle
5 to incorporate their emission calculators into the Cool
6 California small business calculator to better serve all
7 of our customers.

8 Also in 2011, Cool California and ARB's website
9 were shared nationally through the U.S. EPA's National
10 Steering Committee of Small Business Assistance Programs.
11 Those are 507s. ARB's Ombudsman is the Region 9
12 representative to that organization.

13 We also continue to participate with Cal/EPA's
14 Interagency Working Group on multi-agency permit issues
15 and with the multi-agency Governor's Office of Economic
16 Development, now known as Go Biz to share resources. We
17 have strengthened our collaboration with educational and
18 outreach entities such as the Powerhouse Science Center
19 here in Sacramento and the Green Technology Forum that is
20 operating statewide.

21 --o0o--

22 OMBUDSMAN BOWEN: As you know, the Ombudsman
23 staff is deployed regionally. California is a big state.
24 One way we identify partners for collaboration us by staff
25 developing local relationships. This is an ongoing effort

1 and is expected to help business and individuals
2 understand what they need to do to comply with the
3 regulations, register equipment, report their data, or
4 apply for financial incentives.

5 It is also expected to provide ARB with greater
6 insight into the needs and characteristics of California's
7 diverse regions and the stakeholders located there. We
8 are constantly seeking better statewide connectivity on
9 air quality and other issues.

10 --o0o--

11 OMBUDSMAN BOWEN: Businesses don't differentiate
12 between ARB and local air district rules. They just know
13 they need an answer. So Ombudsman staff has been reaching
14 out to local air district staff to identify effective ways
15 of sharing information and serving customers. Local air
16 districts are key partners for communicating accurate
17 information to the people who live and work in their
18 region.

19 In 2011, our staff supported the South Coast Air
20 Quality Management District in outreach efforts for its
21 lawnmower exchange in Southern California. We and ARB's
22 Mobile Source Control Division joined the Bay Area AQMD in
23 outreach to truckers at the Port of Oakland. And in San
24 Diego, we arranged the meeting between the respective
25 compliance staff of ARB and San Diego APCD.

1 In that case, ARB was in San Diego to provide
2 compliance training on our diesel regulation. Connecting
3 the ARB staff and the air district staff to ensure that
4 the air district had all the information we were providing
5 to their customers just made sense.

6 Our office continues to work to make these kinds
7 of connections a regular part of ARB's outreach.

8 --o0o--

9 OMBUDSMAN BOWEN: The ARB's Air Quality Education
10 Program, this is not a business compliance program. The
11 Ombudsman office also implements ARB's Air Quality
12 Education Program. During the past year, over 1300
13 students have been involved in environmental and health
14 events we supported. Staff made air pollution and climate
15 change presentations to environmental studies classes at
16 De Anza College in Cupertino, assisted the science project
17 presentations to 7th to 9th graders at the School of
18 Engineering and Sciences in South Sacramento, and
19 developed ARB booths at Cal/EPA's Earth Day, Take Our
20 Children to Work Day, State Scientists Day, and American
21 Lung Association's Health Care Lobby Day events.

22 Ombudsman, with support from Research Division
23 and the Communication Group, is also managing the Climate
24 Generation Program, a project-based competition for
25 California high school students that links environmental

1 education to climate action projects.

2 --o0o--

3 OMBUDSMAN BOWEN: ARB's work is of international
4 interest. The Ombudsman's office manages requests for
5 visits and meetings with foreign delegations. In 2011, we
6 facilitated approximately 25 different governmental and
7 industry groups from around the world. Discussions
8 covered many topics, but the majority focused on climate
9 change and ARB's Cap and Trade Program.

10 Today, for example, if you look in the audience,
11 you will see that we have a welcome group of Korean
12 visitors from the senior government of South Korea and
13 also from the university there. So we welcome them.

14 --o0o--

15 OMBUDSMAN BOWEN: Ombudsman goals for 2012.

16 In addition to continuing with the progress on
17 the program outlined so far, your Ombudsman has three
18 goals for 2012.

19 Number one, in 2011, we began a project to
20 investigate best practices in stakeholder engagement. The
21 goal is to complete that process this year, share the
22 results internally, and provide your chair and our
23 Executive Officer with recommendations to help strengthen
24 ARB's stakeholder engagement processes.

25 Two, develop stronger compliance assistance

1 mechanisms for California businesses by working with
2 stakeholders to identify tools, needs, and resources.

3 And finally, to strengthen and increase the
4 opportunities for building relationship bridges across the
5 public, regulatory, private and educational sectors to
6 realize synergy where possible.

7 --o0o--

8 OMBUDSMAN BOWEN: Those are our goals. And that
9 completes my presentation. And happy to answer any
10 questions you may have.

11 CHAIRPERSON NICHOLS: Thank you. That was a nice
12 presentation.

13 Anybody have any questions?

14 Sandra, our Board member who represents small
15 business owners.

16 BOARD MEMBER BERG: I would like to take the
17 opportunity for thank La Ronda for not only a fabulous job
18 on the report, but also bringing up your staff today at
19 lunch. It was a delight to meet the people that are on
20 the road and interacting with all of our stakeholders.
21 That was really, really interesting. And also you know,
22 what a shining star of ARB.

23 So I think my question would be: How do we get
24 out this information to the stakeholders at large about
25 our success stories? And it seems that we spend a lot of

1 time necessarily so on problems and on unhappy
2 circumstances. It sure would be a great opportunity to
3 take this type of information and being able to
4 communicate it in a way that gives a balanced approach of
5 our successes and a department that really is a very
6 effective bridge between what is often a difficult
7 situation.

8 OMBUDSMAN BOWEN: Thank you for the compliment.
9 The answer to the question I don't know.

10 What we do now is compile not specifically ARB
11 success stories but generally business, positive news, and
12 we send those out to the Board. We do have on our -- as
13 we're developed -- we just finished getting all the
14 information on the Ombudsman's website. We do intend to
15 also use that website to mentor other -- here's someone
16 can you link to that had a similar problem that got
17 resolved. We do that some of that on the Cool California
18 website. That is the Cool California winners. We always
19 refer people there and say there is someone in your
20 industry that's successfully doing that.

21 But we can do and I will put on my agenda to do
22 maybe as part of the stakeholder engagement discussions
23 that we have ask that question of our stakeholders, how
24 would they like to receive success stories like the one
25 from Mr. A or some of the other ones.

1 BOARD MEMBER BERG: It would also be interesting
2 how we can further engage some other groups, like some of
3 the Chamber of Commerces I know you have been very
4 successful with in a workshop. Something that maybe is a
5 little bit on the idea of being able to pull people
6 together, discuss lessons learned and successes, and talk
7 about maybe future needs in a way that does highlight this
8 department and all of its good work. So anything I can do
9 to help, I'm happy to do that. Really a great job. Thank
10 you.

11 CHAIRPERSON NICHOLS: That's a great idea though
12 to host some sort of a workshop where we would invite in
13 some of the groups we've been working with and do it in a
14 way that allowed them to participate in helping to focus
15 or activities for the future as well.

16 Other questions? Comments? Okay. If not, thank
17 you very much. We do have one other person -- we have a
18 witness who signed up to speak on this item, Leonard
19 Robinson, our former Cal/EPA colleague from DTSC.

20 MR. ROBINSON: Chair Nichols, ARB Board members,
21 and ARB staff, I've had the pleasure of working with you
22 during my role at DTSC. Even life before State service,
23 I'm a Riverside resident. I've worked with Mayor
24 Loveridge before. In my days still I've worked with Board
25 Member Riordan. She actually gave me an award for

1 something doing right. I just can't remember what it is.

2 It's a little bit different being on this side of
3 the podium, but I'm the Chair of the newly formed
4 California Black Chamber of Commerce Energy and
5 Environment Committee and also leading the Chamber's Green
6 Initiative. The goal of the Initiative is to help the
7 underserved -- California's underserved communities and
8 California's under-utilized businesses to appreciate the
9 opportunity of a green economy.

10 My purpose here is to two-fold. One, to
11 introduce myself as the official spokesman for the
12 California State Chamber of Commerce on behalf of Aubry
13 Stone, the President and CEO of the California State
14 Chamber. If you don't see Mr. Stone here or me here and
15 somebody states being chair, you have my permission to cut
16 them off at the knees.

17 And the second purpose is to support the ARB's
18 office of the Ombudsman. I've known La Ronda from her
19 days at South Coast Air Quality Management District and
20 she's been an effective communicator. At DTSC, we worked
21 together on a lot of things with big dreams. We never did
22 anything small. We went after the big things.

23 And so in my new role as the spokesperson for the
24 California Black Chamber of Commerce and the Energy and
25 Environment Committee Chair, we're looking forward to

1 working with the Office of the Ombudsman. I've had the
2 pleasure of having three of you on my radio show. I've
3 had Chair Nichols on my show, which I think it resulted in
4 Johnny Kent putting your head on a stake in California.

5 CHAIRPERSON NICHOLS: It was a mixed blessing,
6 but it was a lot of fun.

7 MR. ROBINSON: You were the first non-elected
8 official to have her head on a stake.

9 So I've had Executive Officer Goldstein on my
10 show, and I've had the Ombudsman Bowen on my show as well.
11 And my audience is up to 75,000 people every month in 20
12 different countries with a lot of population in
13 California. We're looking to going forward to doing that.
14 I'm looking to getting the underserved businesses and
15 under-utilized communities information on the green
16 economy. And I look forward to working with everybody
17 here in my new role. Thank you.

18 CHAIRPERSON NICHOLS: Thanks for stepping forward
19 and taking on this assignment. Very helpful to us I'm
20 sure and helpful to the community as well. So that's just
21 great.

22 Okay.

23 BOARD MEMBER SHERRIFFS: I just wanted to
24 compliment James Goldstein for speaking about customers.
25 And I think that's a great attitude and what we're about.

1 EXECUTIVE OFFICER GOLDSTONE: Thank you. I have
2 to give La Ronda credit for that.

3 CHAIRPERSON NICHOLS: She's sensitized her
4 colleagues.

5 EXECUTIVE OFFICER GOLDSTONE: I'd like to thank
6 Leonard. He came here this morning almost six hours ago
7 waiting for his three minutes. Appreciate that.

8 CHAIRPERSON NICHOLS: Well, thank you.

9 Okay. We have one more item, and this is one
10 where we are going to need to take some action. However,
11 I believe it's a relatively straight forward item because
12 we are basically pursuing something we already long set in
13 motion.

14 So in January, as you know, we approved the
15 Advanced Clean Cars Program, which combines the control of
16 criteria pollutants and greenhouse gas emissions into a
17 single package of requirements from model year 2015
18 through 2025. And it also included amendments to the
19 Low-Emission Vehicle, Zero Emission Vehicle, and Clean
20 Fuels Outlet Regulations.

21 Today's item is a little bit different than what
22 we usually consider, but it parallels with something that
23 we did on the cap and trade regulation as a process where
24 the Board itself considers approval of the responses to
25 comments and then adopts the final regulations. So in

1 most of our regulations, as you know, the Board acts and
2 then gives direction to the Executive Officer to perform
3 necessary basically mechanical or administrative cleanup
4 actions and then send the regulations off to the Office of
5 Administrative Law for final adoption.

6 In this case, the staff made some modifications
7 on the January package pursuant to our directions and now
8 they're bringing it back to us for final approval.

9 So James, you want to just give us the details on
10 what we're actually going to be voting on here.

11 EXECUTIVE OFFICER GOLDSTONE: Sure. Staff will
12 briefly review the modifications to the regulations made
13 at the Board's direction when you consider the advanced
14 clean cars rule in January in Los Angeles. We'll briefly
15 present and recommend that you vote today to approve the
16 response to comments on the environmental analysis, too.

17 Staff is also recommending that you adopt the
18 final regulations with these modifications.

19 If you adopt the regulation today, staff will
20 submit the final rulemaking packages to the Office of
21 Administrative Law.

22 Analisa Bevan, Chief of the Sustainable
23 Transportation Technology Branch will present this item.
24 Analisa.

25 (Thereupon an overhead presentation was

1 presented as follows.)

2 MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF

3 BEVAN: Good afternoon, Chairman Nichols and members of
4 the Board.

5 Today, we are bringing back the landmark package
6 of regulations that you adopted in January for your final
7 approval. This package of regulations includes the low
8 emission vehicle regulation, which will achieve further
9 reductions in criteria pollutants from all passenger cars
10 and light duty trucks and dramatic reductions in
11 greenhouse gases.

12 The zero emission vehicle regulation that will
13 help commercialize the vehicle technologies needed to meet
14 our long-term criteria pollutant and greenhouse gas
15 emission reduction goal targets and to the clean fuels
16 outlet to ensure we have the fueling stations needed to
17 support ZEV commercialization.

18 We bring these back for your approval of the
19 joint environmental analysis and final approval of the
20 regulations orders.

21 The next few slides will provide you with an
22 update on actions requested by the Board for each of the
23 regulations adopted in January. For the LEV program, you
24 directed staff to look into whether the adoption of the
25 one milligram standard for particulate matter could be

1 pulled forward and to monitor the mix of cars and trucks
2 and report back if there was a shift in new vehicles from
3 cars to trucks that might indicate an unintended incentive
4 to make vehicles larger in response to the GHG standards.
5 The framework for both of the efforts is underway at the
6 staff level.

7 Additionally, we committed to return to the Board
8 to align with the federal GHG program when their rules
9 become final. We remain committed to that plan and
10 anticipate returning to the Board in the fall of this year
11 with the regulatory change.

12 --o0o--

13 MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF

14 BEVAN: For the ZEV regulation, you directed us to take a
15 couple of actions relative to the GHG over-compliance
16 provision. Namely, to include upstream emissions in the
17 calculation of over-compliance and to monitor the use of
18 the provisions and its impact on ZEV volumes. The
19 upstream emissions will be added in the fall when we align
20 with the federal GHG program and monitoring plan is in
21 development.

22 We have established the basic forum of the
23 Section 177 State alternative compliance path through our
24 15-day notice. However, a couple of issues remain to be
25 finalized regarding the treatment of banked credits in

1 pooling among states and the application of penalties. We
2 will develop consensus solutions with the states and the
3 car companies and will add these amendments in the fall
4 rule making package.

5 Finally, the Board had a healthy discussion
6 around the treatment of plug-in vehicles and directed
7 staff to study real-world PHEV use and return with results
8 and, if appropriate, an updated approach the treatment of
9 PHEVs in the regulation.

10 We are beginning the study design for this
11 efforts and are on schedule the report to the Board on the
12 study approach within six months.

13 --o0o--

14 MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF
15 BEVAN: For the CFO, we have issued a 15-day notice with
16 language that incorporates the ability to use a
17 collaborative approach to supporting hydrogen stations
18 through a Memorandum of Agreement. However, negotiations
19 with the oil companies on the MOA have stalled since the
20 January Board hearing. If the situation changes however,
21 the provision for using the MOA is in the final
22 rulemaking.

23 Next, we were directed to look at ways that we
24 can streamline permitting for hydrogen stations and to
25 monitor the development of the business case for hydrogen

1 stations. Each of these efforts is underway in
2 corporation with our colleagues at the California Fuel
3 Cell Partnership.

4 --o0o--

5 MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF

6 BEVAN: I'll turn now to the development of our
7 environmental analysis. In accordance with ARB's
8 certified regulatory program under the California
9 Environmental Quality Act, staff prepared a programmatic
10 environmental analysis for the three regulations that
11 comprise the Advanced Clean Cars Program. The
12 environmental analysis, or EA, was included as Appendix B
13 in all three of the Initial Statement of Reasons staff
14 reports.

15 The EA is a single integrated analysis that
16 evaluates the potential adverse impacts of the
17 implementation of the three regulatory packages. ARB took
18 this approach to provide a comprehensive review because
19 the regulatory amendments were related and the compliance
20 responses by vehicle manufacturers and fuel providers
21 would have a combined effect on the statewide vehicle
22 fleet, the ways light and medium-duty vehicles are sold
23 and leased, and the availability and use of alternatives
24 fuels.

25 The EA identified recognized measures that exist

1 to reduce potentially significant impacts primarily from
2 project level construction related activities and analyzed
3 a reasonable range of alternatives that could potentially
4 reduce identified impacts.

5 --o0o--

6 MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF

7 BEVAN: For preparation of the EA, ARB conducted three
8 scoping meetings that were part of the community outreach
9 efforts held in July 2011. An additional scoping session
10 was included at the July 13, 2011, Clean Fuels Outlet
11 Public Workshop.

12 The purpose of these scoping meetings was to
13 provide the opportunity for agency representatives,
14 stakeholders, and interested parties to bring up subject
15 areas to be addressed in the EA. The EA was released for
16 public review on December 7th, 2011, with a public comment
17 period commencing on December 12, 2011, and ending on
18 January 6th, 2012, as part of the staff reports or ISOR.

19 The EA was also circulated through the State
20 Clearinghouse and publicly noticed in major newspapers in
21 both northern and Southern California. ARB received 11
22 written comment letters in addition to oral testimony at
23 the January 26th, 27th Board hearing related to
24 environmental analysis.

25 On February 22nd, staff posted one 15-day change

1 notice of modified regulatory text that provided some
2 changes for clarity and modifications directed by the
3 Board at the January hearing. We received one
4 environmental comment from that process. Staff prepared
5 written responses to all comments received on the EA in
6 the document entitled "Responses to Comments on the
7 Advanced Clean Cars Environmental Analysis" that was
8 provided to Board members for their review and posted on
9 ARB's website prior to this hearing.

10 --o0o--

11 MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF

12 BEVAN: Most of the comments we received on the
13 environmental analysis fell into three broad categories:
14 Comments about how we conducted the analysis, suggested
15 additional alternatives to the regulations proposed, and
16 comments about impacts to upstream emissions resulting
17 from specific compliance responses.

18 As mentioned previously, we provided responses to
19 each of these comments and rationale for not adopting each
20 suggested alternative in the document entitled "Responses
21 to Comments on the Advanced Clean Cars Environmental
22 Analysis."

23 --o0o--

24 MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF

25 BEVAN: So in summary, staff recommends that the Board

1 take action to: One, approve the written responses to
2 comments received on the environmental analysis; and two,
3 adopt the final regulation orders.

4 This concludes the staff's presentation.

5 CHAIRPERSON NICHOLS: Thank you. So most of this
6 it's an update on what you did in response to our
7 directions and then the responses to the CEQA comments
8 just coming back to the Board rather than being left to
9 the staff to make sure it's been done at this level.

10 Do you have any additional comments, Mr.
11 Goldstene?

12 EXECUTIVE OFFICER GOLDSTENE: No. I just want to
13 make it clear that the resolution encompasses both actions
14 that can be taken today. Just want to be clear.

15 CHAIRPERSON NICHOLS: All right. We have one
16 witness who signed up for this, Will Barrett from the
17 American Lung Association.

18 MR. BARRETT: Good afternoon. My name is Will
19 Barrett with the American Lung Association of California.
20 I'll be brief.

21 We are a strong supporter of the advanced clean
22 cars package and applaud all the work that staff and the
23 Board went to to develop and adopt these rules. We
24 believe the standards are a giant step forward for air
25 quality and public health in California. They're critical

1 to our emission at the Lung Association for improving lung
2 health and preventing lung disease.

3 I'd like to acknowledge the work of staff to
4 gather input and respond to comments on the environmental
5 assessment and urge the Board to move forward with the
6 report.

7 We found that the assessment -- the analysis and
8 the responses to the public comments were thorough and
9 note too they also brought in additional comments from the
10 15-day changes that had some impact on the environmental
11 issues. That was an additional thorough step they took.

12 So we were happy to take part in the scoping
13 sessions over the summer last year. That's another just
14 point I make about the thorough job that staff has done
15 here and reason to move forward.

16 I'd also like to thank the staff. I was
17 interested to see they got about 48,000 calls down in El
18 Monte. I made a few of those over the last few weeks
19 about 15-day changes. And we did submit comments on those
20 and look forward to working with staff over time to just
21 kind of move forward with all of the great benefits that
22 will come with this package as it's implemented.

23 So just in closing, we do applaud your critical
24 leadership in promoting the cleanest vehicle technologies
25 and pursuing a healthy low-carbon future for our state. I

1 do urge you to move forward with the environmental
2 analysis in pursuit of these goals. So thank you very
3 much.

4 CHAIRPERSON NICHOLS: Thank you. Appreciate
5 that.

6 Any questions or comments from the Board? If not
7 I would entertain a resolution. Oh, I do. I thought you
8 were going the make a motion.

9 BOARD MEMBER SPERLING: Question about the study
10 design and development for treatment of BEVx and PHEVs. I
11 should have followed up earlier, but there was a question
12 about that study design. And the way it was originally
13 written up as a proposal didn't sound exactly right to me.
14 Has it been changed in the Resolution language?

15 CHAIRPERSON NICHOLS: The issue was whether we
16 had the burden to create a study or whether we were asking
17 that the companies come to us with information that we
18 could then use to make a decision. I saw some e-mail
19 traffic back and forth on that. And I guess the question
20 is just did you fix it in the final language?

21 MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF
22 BEVAN: I don't believe the resolution has been changed,
23 has it?

24 STAFF COUNSEL LIVINGSTON: Yeah, not on that
25 issue.

1 MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF

2 BEVAN: But our intent is to take a hybrid approach to
3 that, if I could make a pun. And ask the auto makers to
4 give us data but also direct them in terms of making sure
5 that we have data that can be compared from auto maker to
6 auto maker. So the burden will fall to the auto makers to
7 give us information in order to assess how plug-in hybrids
8 should be treated, but we want to help design how we get
9 that data so that it's comparable.

10 BOARD MEMBER SPERLING: I guess I feel that more
11 responsibility should be on the auto makers because it's
12 not obvious to me that you can prescribe exactly what data
13 you want and you'll be able to standardize it and come up
14 and do the analysis. I think there is a lot of subtleties
15 involved. So can we leave -- can the resolution language
16 be change a little bit or at least interpreted?

17 CHAIRPERSON NICHOLS: You don't need the
18 Resolution to be changed in order to do this kind of
19 implementation that you're talking about. The language
20 was generic enough. I did look at that. I don't think
21 you've got a problem with re-interpreting or interpreting
22 exactly how you want that study to be done.

23 So I think it would be a good idea for you the
24 talk with staff more specifically about either what you
25 think they should be getting or what we might not want to

1 be doing. Either way, I think that would be very helpful.
2 Appreciate it.

3 Any additional comments?

4 Yes, Sandy.

5 BOARD MEMBER BERG: I just wanted to make sure
6 that since it wasn't mentioned here but it is in the
7 Resolution about the intermediate volume manufacturers
8 that we are going to follow up to make sure that there
9 were no unintended consequences from moving people into
10 the large. That would be yes. I see all those heads
11 nodding.

12 CHAIRPERSON NICHOLS: The answer was question.
13 Okay.

14 Dr. Balmes wishes to move the Resolution.

15 BOARD MEMBER BALMES: I move we accept the
16 Resolution

17 BOARD MEMBER SPERLING: Second.

18 CHAIRPERSON NICHOLS: We have a second from
19 Dr. Sperling. All in favor please say aye.

20 (Ayes)

21 CHAIRPERSON NICHOLS: Any opposed? Any
22 abstentions?

23 Thank you very much. That is completed.

24 And the only other thing we need to do is check
25 and see if there was any general public comment. There

1 were no requests today for just general comment. So in
2 that case, I believe we are eligible to adjourn. So thank
3 you very much.

4 (Whereupon the Air Resources Board adjourned
5 at 3:04 p.m.)

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