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
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CHAIRPERSON NICHOLS: Good morning, ladies and gentlemen.

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

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

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

CHAIRPERSON NICHOLS: The Clerk will please call the roll.

BOARD CLERK MORENCY: Dr. Balmes?

BOARD MEMBER BALMES: Here.

BOARD CLERK MORENCY: Ms. Berg?

BOARD MEMBER BERG: Here.

BOARD CLERK MORENCY: Ms. D'Adamo?

BOARD MEMBER D'ADAMO: Here.

BOARD CLERK MORENCY: Mr. De La Torre?

Mayor Loveridge?

BOARD MEMBER LOVERIDGE: Here.

BOARD CLERK MORENCY: Mrs. Riordan?

BOARD MEMBER RIORDAN: Here.

BOARD CLERK MORENCY: Supervisor Roberts?

Dr. Sherriffs?
BOARD MEMBER SHERRIFFS: Here.
BOARD CLERK MORENCY: Professor Sperling?
BOARD MEMBER SPERLING: Here.
BOARD CLERK MORENCY: Supervisor Yeager?
BOARD MEMBER YEAGER: Here.
BOARD CLERK MORENCY: Chairman Nichols?
CHAIRPERSON NICHOLS: Here.
BOARD CLERK MORENCY: Madam Chairman, we have a quorum.
CHAIRPERSON NICHOLS: Great. Thank you.
I'd like to begin with the preliminary announcements before we get started.
Just to remind everybody that anyone who wishes to testify should fill out a request to speak card. These are available in the lobby outside the auditorium. Speakers need to be aware that we do impose a three-minute time limit. Although if we have an item with an usually large number of speakers, we will shorten that.
We appreciate if people put their testimony in their own words. And if you have written testimony, if you would summarize it rather than reading it to us because we can read to ourselves.
For safety reasons, we need to notice the emergency exits at the rear of the auditorium and to the sides of the room here. In the event of a fire alarm,
which I understand we had one of just yesterday, we have
to evacuate the room immediately, go down the stairs, and
out of the building and wait for the all-clear signal to
be given.

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

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

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

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

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

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

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

CHAIRPERSON NICHOLS: Anybody else that needs to
recuse themselves?

Mrs. Riordan, do you have any research projects?
BOARD MEMBER RIORDAN: I don't have any research projects, but I'll move approval of this item, Madam Chairman.

BOARD MEMBER SHERIFFS: Second.

CHAIRPERSON NICHOLS: Very good. Thank you.

All in favor, please say aye.

(Ayes)

CHAIRPERSON NICHOLS: Any opposed? And any abstentions?

Yes, we have two abstentions. Okay. Great.

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

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

But they really have been working on presenting a strategic vision of the research proposals and to put it all into context. I think we are going to be having an update soon on some of the health and greenhouse gas
DEPUTY EXECUTIVE OFFICER TERRY: Right. That will be in April. And we will bring the annual plan in June. That's an opportunity to look at the strategic issues.

CHAIRPERSON NICHOLS: So more to come. DeeDee.

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

CHAIRPERSON NICHOLS: Thank you.

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

Mr. Goldstene, did you have anything to add?

EXECUTIVE OFFICER GOLDSTENE: No. We thank you for the thank you. And we'll keep the Board up to date regularly, particularly in June. That will be the time to
work on these issues. We know Professor Sperling wants to
be involved, and we're appreciative of that.

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

(Whereupon an overhead presentation was given
as follows)

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

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

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

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

At the end of my presentation, I'll highlight some of the items we expect to bring to you this year. And as always, we make sure we keep you involved and up to date on the major issues.

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EXECUTIVE OFFICER GOLDSTENE: I'll start with implementation of the vehicle regulations. The Advanced Clean Cars package approved in January established California once again as the leader in promoting advanced technology vehicles. Our work this year includes supporting the federal government as they establish and implement national clean car standards.

Later this year, in a separate rulemaking, we plan to return to you with a proposed deemed to comply provision, which would allow auto makers compliance with the national program to serve as compliance with the California program.

Reduction to our diesel rules are key to reducing exposure to diesel particulates and meeting air quality standards. To make sure we realize the needed reductions from our diesel programs, we're putting a significant effort into providing outreach and compliance assistance to the regulated communities.

Last July, we began a program that provides a
one-stop source of information for all diesel fleet rules and incentive programs. We assisting fleet operators in understanding the requirements of the rules through a call center, training and on-line webinars, presentation, mail outs, website information, radio shows, and press releases. Much of this information is provided in Spanish and Punjabi. We will continue this outreach effort over the next several years as the regulatory deadlines for the various rules become into place.

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

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

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EXECUTIVE OFFICER GOLDSTENE: With regard to other major parts of the climate program, last October,
you adopted the cap and trade regulation, which we are implementing.

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

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

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

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

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

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

Late this year --

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

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

EXECUTIVE OFFICER GOLDSTENE: This is actually the first public announcement of the hiring of Ms. Burke. And the partners will be releasing an announcement later today about her selection.
CHAIRPERSON NICHOLS: Okay.

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

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

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

Shifting to incentive programs, as you know, for many years, ARB has provided financial assistance to help
businesses with regulatory compliance. Incentive programs have ensured compliance while keeping businesses in business. The AB 118 and AB 923 incentive programs will both sunset by 2016. The Carl Moyer Program will also be scaled back to a minimally funded program. All told, funding for these programs would shrink from about $300 million to about $65 million a year.

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

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

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

Later this year, we anticipate updating the program guidelines to reflect technology advances and
recently adopted regulations in preparation for 2013 funding cycle.

You've asked me to comment on a collaboration with CAPCOA, and I'm pleased to do so.

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EXECUTIVE OFFICER GOLDSTENNE: Over the years, we've worked with CAPCOA and individual districts on incentive programs, regulatory development, air monitoring training programs, planning, and SIP development, coordinated response to U.S. EPA proposed rules and much more.

CAPCOA brings the rich diversity of air district needs and views to our partnership and has been instrumental in the successful outcomes of controversial rules and a coordinated California voice on national issues.

To strengthen this partnership, we now hold monthly ARB Chair and Executive Officer calls with the CAPCOA members. I'm also attending their monthly Board meetings and have made myself personally available when any member has any issues they need to raise.

As I mentioned before, we are working closely with CAPCOA to reauthorize the incentive programs that I just spoke about. And I'd like to recognize and thank Board Member Berg for her key role she's played as the
voice of the Board on incentive program issues. She has agreed to continue that role by facilitating a so-called Log Cabin Meeting on reauthorization of incentives jointly hosted by ARB and CAPCOA on March 28th, next Wednesday.

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

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

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

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

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

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

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

We are also continuing our programs to monitor air toxics at the neighborhood level in response to community concerns. Over the last decade, we have
responded to a variety of community and environmental justice concerns with highly-focused ambient air monitoring studies at various locations throughout the state.

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

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

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EXECUTIVE OFFICER GOLDSTENE: I'd like to highlight quickly the work our Office of Legislative Affairs does. Our office serves as the principle resource on air quality related issues for Cal/EPA and the Governor's office. ARB's Office of Legislative Affairs
provides technical expertise and policy advise relating to pending legislation.

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

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

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

CHAIRPERSON NICHOLS: Currently enjoying.

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

Our legal office also works closely with our Enforcement Division to enforce our regulatory programs. And again, they also have a regular ongoing relationship with air district attorneys.
They also work with local district attorneys, the Attorney General, and other states in ongoing litigation over a variety of rules and federal rules, local decisions, such as the federal particulate matter rules and the federal greenhouse gas rules.

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

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

This effort takes a fresh, analytical look at the intersection where our clean air goals for ozone,
particulate matter, diesel pollution, and greenhouse gases meet. The goal is to provide policy makers with information about the broad context as they consider specific plans to meet individual mandates in the future, such as the SIP requirements to meet air quality standards and the Scoping Plan efforts. We plan to brief the Board on this effort in June.

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

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

EXECUTIVE OFFICER GOLDSTENE: In addition to the PM2.5 plans in the South Coast and San Joaquin Valley, we're working on several more administrative ozone and PM SIP updates that are needed to facilitate U.S. EPA action on those plans. Our research plan, which we'll bring to
you this June, includes a broad scope of projects ranging from sustainable communities and health to science and technology.

A couple of highlights of our upcoming research activities include coordinating with government, industry, and academic partners to develop research projects that will help implement our Advanced Clean Cars Program. We are also participating in a satellite air quality monitoring study by NASA that will use satellites to gather data in and above the San Joaquin Valley to improve our understanding of surface air quality in that region.

Also this year, we are starting the update of the Climate Change Scoping Plan. The updated Scoping Plan will be presented to the Board in late 2013. We expect to have the first of several public workshops this fall to talk about the objectives of the Scoping Plan update. And we will draft a report released for public review in summer of 2013.

At the Haagen-Smit Symposium this fall, we are bringing together policy makers and progressive thinkers from California and beyond to discuss the mechanisms for transforming the freight system. The focus is on zero and near-zero emission technologies and infrastructure across the entire system.

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

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

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

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

We will have several proposed regulatory actions that will deal with evaporative emissions from spark
ignition marine engines, off-road recreational vehicle re-fueling systems, and propane transfer, as well as regulations to reduce emissions from activities related to oil and gas production, processing, and storage.

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

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

CHAIRPERSON NICHOLS: Thank you, James.

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

EXECUTIVE OFFICER GOLDSTENE: Tom's a little upset.

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

But I do think it's helpful for those of us who are more generalists to have the backdrop of some of these
visionary kinds of documents.

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

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

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

And I just wanted to observe that, because it seems to me that we're going to be needing to kind of reframe some of these conversations that we're having in light of what's going on at the national low. You can see how suddenly fuel prices are becoming an issue in the Presidential election. And there is almost a tutorial
going on at the moment in the national press around energy policy and do we have to have a policy in which we do nothing but drill. Or can we have a policy in which we also invest in alternatives? We're kind of at the front lines of that here in California. And we always have been because of -- not just because of AB 32, but because of our interest in air quality and because of our strong environmental standards overall.

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

I think you had your hand up, Mayor.

BOARD MEMBER LOVERIDGE: There's three items.

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

Second -- and this is something I think that I'd like some attention to. That is this EV marketplace that is -- we applaud the regulations we have, but the
marketplace needs change. And I think we need to be not simply observers or spectators of that, but we need to participate in strategies to move the EV marketplace, thus bringing success to the regulations we adopted.

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

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

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

In terms of possible revenue generated, we have a floor in the cap and trade program of $10 a ton, which means at a minimum given the number of allowances that we're planning on auction, which is a relatively small amount compared to the number of allowances we're actually allocating out to industry, at a minimum at $10 a ton,
we'd bring in more than $600 million in auction revenue. And then that, of course, does pose the question about how should that money be expended. Decisions on that have not been made yet. There are a lot of good ideas. The main issue to be aware of in the expenditure of any auction proceeds is that they have to have a very tight nexus to AB 32 requirements.

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

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

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

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

CHAIRPERSON NICHOLS: Okay. Yes.

BOARD MEMBER SPERLING: So I'd like to follow up on two comments from Chairman Nichols and Mayor Loveridge.
The first, this cap and trade revenue issue. I think that I'd like to see ARB getting out in front a little bit on this because so many of our programs -- the effectiveness of our programs are affected, are at stake here. We're talking about the incentives program where -- you know, when it goes to the Legislature, they're going to be thinking about incentives and cap and trade revenue and how all this relates together. There's the SB 375, which is only going to be effective if there are incentives directed in some way to the cities and NPOs. There is a whole range of issues. And it seems like we ought to be getting on top of that, at least a little bit.

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

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

So first of all, the Scoping Plan is 2020 and not 2050. And this is another example I think where there is
a role for ARB to play but -- so let me back up.

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

EXECUTIVE OFFICER GOLDSTENE: We appreciate your comments.

BOARD MEMBER SPERLING: I'm not finished yet.

(Laughter)

BOARD MEMBER SPERLING: And thus --

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

BOARD MEMBER BALMES: Especially professors.

BOARD MEMBER SPERLING: That was just the preamble.

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

BOARD MEMBER SPERLING: So what that all leads me
to think this idea -- we talk about strategic plans all
the time. But we don't really do real strategic planning.

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

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

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

And then one little third thing to add to
Chairman Nichols. What we did with the auto industry --
unless you want to come back to me.

CHAIRPERSON NICHOLS: No.

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

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

And you know, lawsuits are endangering and undermining that. But I just want to make that statement that we have this contrast between the auto and oil
industry. And we need to figure out how to fix that part on the oil side.

CHAIRPERSON NICHOLS: Well, thank you for the comments.

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

Yes. Anybody else wishes to be recognized? No.

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

And there has been a lot of good work done on identifying road blocks. California has one of the two
very large DOE grants that have been named in the country for EV charging infrastructure. There had already been money going to the San Diego region, which has been out in front in terms of electrifying their city -- their cities. But in terms of planning for EVs, this collaborative has been working with a bunch of different stakeholder organizations on really demonstrating market readiness for electric vehicles.

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

But there's still some policies that need to be changed. And of course, we have this issue of half of our population being in areas with municipal utilities and the rest in places with IOUs and different policies in different places and all that. So there is some important things that have to happen. But this is very high on the Governor's list of things that he wants to see
accomplished also. So I hope that you all will recognize that and we can probably do a better job of reporting on some of the stuff that's happening.

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

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

But ultimately the Legislature is going to decide. We will propose and the Legislature will then decide what to spend money on. That's the way the process
works. And we just have to have a united position coming forward from the State if we are going to be successful in that endeavor.

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

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

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

EXECUTIVE OFFICER GOLDSTENE: I'd like to point out to Professor Sperling and the whole Board that in the Governor's budget there is -- in the so-called A pages, there is an outline of the types of major areas that the
revenue from cap and trade could be spent on. So we do articulate that as an administration there.

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

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

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

I was also going to mention the Plug Electric Vehicle Collaborative in response to Mayor Loveridge's
point about trying to be involved somehow in the EV marketplace, not to just drive the technology, but also to push for the uptake and, you know, use and purchase of the technology. I think that's very important.

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

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

EXECUTIVE OFFICER GOLDSTENE: We would be happy to. Yes.

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

EXECUTIVE OFFICER GOLDSTENE: Happy to do that. The main point there is any funding has to go toward mitigating greenhouse gases.
CHAIRPERSON NICHOLS: I don't think there's much more analysis that's been done on that. And because of -- there's analysis and background material, but there's probably been a reluctance to get too far into specifics of what might be in and what might be out because of the likelihood that will ultimately be subject to challenge and we'll be told by the courts whether we're right or not.

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

EXECUTIVE OFFICER GOLDSTENE: And we articulate --

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

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

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

BOARD MEMBER SPERLING: So one thought that comes into how to follow up on this. It seems like as we think
about strategically how all these things fit together, it
might be value -- I think it would be valuable to
commission a few high level white papers from people that
have thought about this a lot to use as a basis for us. I
just believe that this -- it's so important for us to be
really playing a leadership role in doing this. And that
might be one way to do it is to -- you know, it doesn't
cost very much money. It's much cheaper than all these
other big research projects we're doing. You can
commission them for -- people would love to do -- many of
them would do it for free if you would ask them, many of
these kinds of people, because they do see what we're
doing as so important. That would help us a lot I think
because this is -- there is a lot of big stuff going on
here that has huge implications. And so that's a
suggestion.

CHAIRPERSON NICHOLS: Thank you.

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

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

So if we are going to do strategic thinking, it
has to be more than just on greenhouse gas mitigation
bills, but impacts of the policies that we put in place
because of AB 32 and our efforts to mitigate greenhouse
gases.

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

So thank you for those trenchant comments, all.

One more. Sorry.

BOARD MEMBER D'ADAMO: One more. On the point
that you made earlier about the oil industry, and it just
seems to me, especially with low carbon fuel standard
being so technical, when it comes before us, of course,
there's always the discussion about the challenge of
meeting the standard and alternatives that are available. Just wondering what we can do in the mean time to kind of get out in front on that issue to make it more apparent about the alternatives that perhaps are more feasible and progress that's been made prior to coming back before us for a regulatory matter.

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

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

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

There are certainly other people that have been looking at, as Professor Sperling said, some of the progress that's already been made, even though it may not
be all that visible in terms of alternatives and potential changes in formulations of fuels and so forth.

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

DEPUTY EXECUTIVE OFFICER COREY: Yes, Chairman Nichols.

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

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

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

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

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

    Let's move on to the next item. We have a lot of
people here I know in connection with the next two items.
Let's begin with the informational report on the draft
Sustainable Community Strategies for the Southern
California Association of Governments. As I think most
people know, under SB 375, a sustainable community
strategy to reduce greenhouse gases is now a required
element for regional transportation plans around the state
of California. And the SCAG region represents about half
of the state's population as well as a significant engine
of the California economy. It also happens to be where I live, so I have a special fondness for it.

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

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

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

This draft strategy that's up for discussion here today is the first Sustainable Community Strategy that
this region has attempted. And it was designed to meet
the greenhouse gas reduction target that our Board set.
So it’s a great pleasure to see that the targets are being
met according to the plan and exceeded in fact and that
improved transportation and land use planning can, indeed,
be an important complement, as we always hoped and thought
should be the case, to our advanced clean car and fuels
regulations.

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

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

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

I think I've been involved now some 30 years in
this kind of effort in Southern California. And what is before us, it's also connected with the Regional Transportation Plan and to some extent the Air Quality Management Plan. This is really an historic effort by Southern California to try to think about a whole variety of questions of urban form and transportation and housing and environmental quality and social justice.

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

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

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

I guess if I could say: One, this is an historic effort in my view, the best in Southern California. And I
think it just didn't happen because people thought it was a good idea. You'll hear and meet the leadership of SCAG led by Pam O'Connor. Electives were very, very important in this kind of collaborative coming together. And I think if Southern California has a hero of the year award, I would give it to Hasan for his really extraordinary collaboration.

CHAIRPERSON NICHOLS: Well, thank you for that introduction.

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

EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman Nichols.

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

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

ARB staff has closely followed the development of the SCS and reviewed it using the general approach outlined in our July 2011 methodology document. SCAG
staff worked hard to provide all the data and modeling runs needed for our review, which we greatly appreciate. They've been excellent to work with, and they've made it possible for us to evaluate their work on a parallel track.

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

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

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

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

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

I'll conclude with the results of staff's
technical review of SCAG's plan and identify the next steps in the process.

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

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

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

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MS. ROBERTS: Before describing staff's technical review of SCAG's greenhouse gas quantification, I'd like to provide some context about the region we're discussing today.
SCAG is home to half of the state's population and is the source of almost half of California's passenger vehicle emissions. Southern California is also a significant economic engine for the state. The region covers six counties and 191 cities. It's a region of diversity and contrasts from Hollywood to the farm fields of Ventura, from Disneyland to the Joshua Tree National Park, and from the Malibu coast to the San Bernardino mountains.

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

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

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

The next couple of slides illustrate examples of
community level planning in the SCAG region, which are consistent with the regional goals and the goals of SB 375.

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

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

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

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

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

Here, the slide shows just two examples, El
Centro in Imperial County and Temecula in Riverside County.

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

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

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

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

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

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

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

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

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

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

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

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

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

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MS. ROBERTS: Some of the transportation-related outcomes include: Neighborhoods become better served by
bike and walk infrastructure and transit service areas expand, making transit and biking viable options to driving.

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

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

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

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

This plan calls for expansion of the existing bus
and bus rapid transit network and increased service frequency on the most heavily used routes.

SCAG's goal is for over half of all new homes and jobs to be located in these high quality transit areas.

The next two graphics show the expansion of these areas.

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

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

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

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

The plan would also expand infrastructure for biking and walking, helping to improve accessibility to transit. The following series of slides illustrate the
region's investment in passenger rail.

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

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

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

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

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MS. ROBERTS: ARB's review of an SCS focuses on the accounting of greenhouse gas emission reductions as described in our July technical methodology paper. We look at four key components of an MPO's travel demand modeling system. These components include the technical
tools and methodology, data inputs and assumptions, model
sensitivity analyses, and performance indicators. Each is
critical to understanding how the MPO quantified the
greenhouse gas reduction in the SCS. The methodology
outlines our general approach, but staff's evaluation is
tailored to each region.

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

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

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

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

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

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

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

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MS. ROBERTS: ARB staff also reviewed several model outputs related to transportation performance. For SCAG's mode share indicators, we expected to see a shift in mode away from single occupant vehicles to reflect SCAG's investments in transit and active transportation.
The empirical literature also supports this as a way to reduce greenhouse gases.

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

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

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MS. ROBERTS: The last indicator I will discuss is per capita vehicle miles traveled, or VMT. Because of the well-established relationship between VMT and CO2 emissions and the empirical literature, ARB staff evaluated how per capita VMT changes as a result of the SCS. As expected, modeled VMT goes down, consistent with SCAG's reported decline in per capita CO2 emissions to meet the greenhouse gas targets. This per capita reduction in VMT is the result of the combined effects of
SCS strategies, including more multi-family development, more development near transit, and greater use of biking and transit.

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

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

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

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

ARB's final action will be the issuance of an Executive Order by the Executive Officer to either accept
or reject SCAG's greenhouse gas quantification.

And that concludes my presentation. Thank you.

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

CHAIRPERSON NICHOLS: Thank you, Terry.

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

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

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

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

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

I'd also like to today introduce my fellow SCAG officers who are here today. And we have Glenn Beccera,
who's the first Vice President of SCAG, incoming President. We have Greg Pettis, Second Vice President of SCAG; and Larry McCallon, our Past President. And you'll be able to hear from them in a moment.

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

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

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

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

(Whereupon a video presentation was made.)

CHAIRPERSON NICHOLS: Very good

MS. O'CONNOR: I love that last kid, "Let's get
to work." And we hope you found the video informative. And as he said, "Let's get to work." This has been a product of our cities working with key stakeholders, building new relationships, productive relationship throughout our region as we work together to make what I believe is great progress in Southern California, both explaining what sustainability is, as well as how to implement it, how to get it to work, how to make it happen.

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

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

In addition to Compass, by the way, SCAG is also launching the Green Regions Initiative and Local Assistance Program to help with the Sustainable Communities Strategy implementation in our area. The 2012-2035 RTP SCS plan before you today exceeds the greenhouse gas emission reduction goals we've set for our region 9 percent the 2020 and 16 percent in 2035. You set that. You know that. But I think it really bears repeating. And we're very proud of that.
I'd like to now introduce our First Vice President Glenn Becerra to speak to you for a brief moment. Glenn.

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

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

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

You know, it's interesting because I think we started off from a place that says why are we doing this, you know, from some corners and some people saying why
haven't we done this a long time ago. When you start with these two dynamics, you can imagine what it took to get us to a place where we are today that actually all of these groups are coming together to support it. And it was a lot to do with the Hasan driving around the lot. Probably wasn't the most environmentally friendly thing to do. But in the long term, it accomplished its goal. Pam's leadership was incredible and all of the Board members. I mean, you imagine people from Orange County supporting people from Imperial, from Ventura County supporting San Bernardino. It was critical. And I think again the product here is extraordinary.

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

And I would always argue I don't care why you
want to save that tree, if you want to save it because you like to hug it or if you want to save it because it's beautiful or because it provides shade and saves you money on your air conditioning bill, it doesn't matter to me. The point is it's the right thing to do. When you do things for the right reason, the benefits are really immeasurable.

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

CHAIRPERSON NICHOLS: That was your time.

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

CHAIRPERSON NICHOLS: Thank you.

Mr. Pettis. Are you doing the intro here?

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

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

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

CHAIRPERSON NICHOLS: Thank you.

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

MR. MC CALLON: Thank you, Pam.
Good morning, Chair Nichols and Board members.

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

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

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

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

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

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

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

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

MS. O'CONNOR: How about I do my close and we'll turn our answer guy over to you.
Just in closing, together with the Board offices here and on behalf of the 191 cities and six counties in the SCAG region, we hope that you will make the finding that we have met the greenhouse gas reduction targets and approve our SCS plan.

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

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

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

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

But just I have a question. Just to ground this,
you know, the L.A. area pioneered car-centric living in
cities worldwide. It's been the leader in that sense.
And so, you know, all these improvements are very
impressive, but they're coming from a base line that's not
very impressive.

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

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

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

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

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

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

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

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

   It's also, at least in my experience, the strongest step taken from the grassroots up in the
direction of regional work that I've ever seen in the
region. And I think it is important. And we keep saying
how big SCAG is. But San Bernardino County alone is
bigger than many countries. It's bigger than quite a few
states in the United States. We're talking about a region
that is vast. So the idea that it's car-centric, though
it's true, I think that's more in some instances what you
would say about the entire set of states in some parts of
the country. We don't have all the backbone
infrastructure that's needed to replace the cars.

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

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

MR. IKHRATA: Totally agree, madam Chairman.

BOARD MEMBER SHERRIFFS: Can I?

CHAIRPERSON NICHOLS: Yes, Dr. Sheriffs.
BOARD MEMBER SHERIFFS: I'd like to ask that question in a little different way. But coming from the San Joaquin Valley, I'm very interested in this process and very encouraged that you're able to put together such a terrific plan and exceed the goals, because the Central Valley is certainly very complicated as well and is struggling, wrestling with these issues.

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

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

The biggest challenge in my view in making this real is incentivizing people in charge of land use to do the right thing, at least the cities and the counties who do not have the funding resources, they want to do it but they don't have the resources to do it. So if we are able to provide, not only just money, but streamline the processes for them to move forward and provide -- I mean, taking advantage of the CEQA streamlining that's in the
bill. Giving cities opportunities to actually go back and re-look at their cities and look at the opportunities available. And additionally, education about the future because the future is very different than the past. It is one of the things we can do.

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

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

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

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

I've had an opportunity the last six months to live in a walkable community. But when I come back to my
home in Long Beach, I jump in my car. And it's interesting really being in a mindset of a walkable community versus something totally different. But I'll tell you, it's hard to change. And so how are we thinking about that?

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

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

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

BOARD MEMBER BERG: Thank you very much.

CHAIRPERSON NICHOLS: One more.

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

I think we're probably going to have some testimony later today from some of the environment groups. I did not follow the process that you went through closely. So this is not meant to be critical, but again just thinking in terms of implementation and moving forward.
What do you think of the project-based performance analysis? I understand that you chose not to include it in the plan. Is there something short of that that you will be able to implement on a project-by-project basis? I understand that incentives are the key, but sometimes it's helpful to have strong guidelines as well.

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

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

One statistic I guess I want to tell you is in the last 20 years, we build 68 percent single-family homes and 32 percent multi-family. In the next 20 years, we're going to reverse that. In Orange County, 82 percent of their housing is going to be multi-family. For that to
start evaluating infrastructure against that, we're not used to that. We haven't done that before. It's a learning process. As we move forward, we're going to do more project-specific evaluations, but we need to start somewhere.

CHAIRPERSON NICHOLS: Okay. Thank you. I think you're free, for now anyway. Thank you. Okay. We're going to hear now from some of the other MPO starting with the Steve Heminger from the Metropolitan Transportation Commission.

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

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

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

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

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

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

So I look forward not only to the work that we
have done together as regions in trying to comply with your requirements, but the work that I think we need to do together, both a few blocks down the street as well as in Washington, to put the right context in place so that we can -- so that we can succeed on what I think is a very strong foundation for reducing greenhouse gas emissions in our state. Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

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

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

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

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

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

It is worth noting a number of SCAG's projects also affect our San Diego region. We've coordinated and cooperated to plan and implement those inter-regional projects, such as Interstate 5, Interstate 15, the LOSSA
corridor, the second busiest rail corridor in the nation, in fact, high speed rail and goods movement strategies.

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

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

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

CHAIRPERSON NICHOLS: Thank you.

Next we hear from Mike McKeever.

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

You all know this obviously; what's going on in the SCAG region is really extraordinary. And I think it speaks to the transformative nature of these concepts and
the legislation that helped bring them forward and your prior actions in setting targets that are challenging but attainable. And I think their experience really speaks to the fact that you really hit this sweet spot there pretty precisely.

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

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

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


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

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

Without question, SCAG has been a leader in ensuring future transportation systems are well planned and environmentally sensitive from increased bike paths to new more efficient systems delivered in a timely manner.
SCAG has been a consensus builder, bringing together truly diverse constituencies to find common ground.

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

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

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

CHAIRPERSON NICHOLS: Thank you. Good to hear
Mark Baza.

MR. BAZA: Good morning, Madam Chair and Board. I'm here to support the RTP SCS, and I'd like to commend the SCAG team for all their support and coordination with my region. For those of us who have been in the transportation business for many years, land use has been a critical part of our efforts. But these goals have taken us to another level. And staff at SCAG has done an excellent job. We've had some support from your team with Terry Roberts, and we appreciate all her efforts in that. So, you know, the plan and SCS has definitely mobility and economic benefits, but we're very proud of the help and sustainability of this. Thank you.

CHAIRPERSON NICHOLS: Thank you.

Sarah Jepson.

MS. JEPSON: Good morning. Thank you for the opportunity to speak today. My name is Sarah Jepson. I'm the Sustainability Policy Manager for the Los Angeles County Metropolitan Transportation Authority, or Metro. Metro's Committee on sustainability lead agencies climate change planning efforts and have been actively engaged in the development of the RTP and SCS as a member
of SCAG's Technical Committee for the RTP SCS.

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

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

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

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

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

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

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

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

Thank you very much.

CHAIRPERSON NICHOLS: We have a question for you
before you leave.

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

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

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

MS. JEPSON: I would say certainly these are issues the Ad Hoc Sustainability Committee does discuss and we are looking and recognizing that transit doesn't serve the whole region so how do we promote innovative strategies that are going to help all of our communities.
We'll continue to work on that. Thank you.

CHAIRPERSON NICHOLS: Challenge accepted.

BOARD MEMBER SPERLING: We'll be checking back.

CHAIRPERSON NICHOLS: It's okay.

Elaine Chang from AQMD.

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

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

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

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

I will be remiss if I don't mention that the district's relying on the SCS co-benefits in terms of emission reduction and the criteria pollutants which we're currently working with your staff in developing the 2012 SIP that we do believe the reduction will be much needed
and appreciated. And staff also stand ready working with SCAG to make this vision a reality. Thank you.

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

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

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

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

You've already heard this, but I'm a believer. I've been a part of this process from day one and seen the transformation that's happened. I think the dialogue that's happened both with members of the public and with local elected officials in the region has been impressive.
And the results are very strong, particularly on the land use side when you look at this plan.

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

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

I also want to echo some of the concerns that have been raised about the inadequate analysis of impacts to environmental justice communities and looking at health and equity and which communities are particularly impacted by the plan, both on the plus side and the negative side.
We're particularly concerned about communities living close to freeways as well as those that could potentially be displaced by new development around transit.

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

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

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

Thank you.
CHAIRPERSON NICHOLS: Thanks, Autumn.

Patricia Ochoa with Physicians for Social Responsibility.

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

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

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

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

CHAIRPERSON NICHOLS: Thank you.

Bonnie Holmes-Gen.

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

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

I'm here also to applaud SCAG's leadership in developing this ground-braking Sustainable Community Strategy. And especially want to thank Hasan Ikhrata and President Pam O'Connor for their amazing leadership and their commitment throughout this process.
The American Lung Association of California believes this strategy is critical to set the course for a healthier and more sustainable future for Southern Californians. And we truly believe that this draft before you represents a huge step forward in helping to reduce the burden of disease caused by air pollution exposure and over-reliance on driving and lack of physical activities.

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

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

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

And we think this is very important. And we also agree it's important to continue looking at the EJ environmental justice factors that were just brought up.
And I just wanted to say that the American Lung Association has been actively involved in developing data and information to help SCAG members and the public to better understand the tremendous health benefits of moving forward with smart growth strategies. And we found there is enormous health benefits. Even if we just look at the benefits from reducing pollution from reducing vehicle trips into the Southern California, we can avoid over 16 billion in health and societal cost between now and 2035. On top of that all is the benefits of increased physical activities.

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

We also want to urge you to do everything possible as we talked about and you talked about, Chairman Nichols and the Board, to help promote better alignment of the allocation of our state transportation dollars to communities that are undergoing these sustainable land use
planning efforts. We need to maximize the use of our
State dollars and maximize the effectiveness of the grants
allocated by the Strategic Growth Council. We need to go
deeper into this process and ensure we meet these funding
challenges. Thank you. The implementation process of
course is critical.

CHAIRPERSON NICHOLS: Thank you.

Dennis Zane from Move L.A.

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

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

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

Move L.A. played a role. We helped to convene
the Coalition, which initiated and championed Measure R,
which I think, in addition to its substantive value, had
the political value of demonstrating that the voters in
Los Angeles County were really quite ready to invest in
their communities and took these objectives quite
seriously. By more than 67 percent, almost 68 percent, they voted for a Measure that would provide almost 70 percent of its resource for transit.

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

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

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

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

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

We are proud of this plan. We think it goes a long way and moves us forward. But we also know that
there are many, many more things that we have yet to do.

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

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

CHAIRPERSON NICHOLS: You can finish up.

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

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

Nancy Pfeffer.
MS. PFEFFER: Good morning, Madam Chair and Board members.

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

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

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

As you're aware, under SB 375, in the SCAG region, sub-regional organizations were offered an opportunity to prepare their own sub-regional SCS. Gateway Cities was one of two sub-regions that availed themselves of this opportunity. We did this for a variety of reasons. A primary reason was to build on the COG's 15-year history of collaboration, which laid the groundwork for the SCS through numerous studies of transportation, land use, air quality, and related planning issues.
The Gateway Cities differ from the remainder of the SCAG region in having dense development, relatively high transit use, transit dependency, and lower medium household income than the region or Los Angeles County. The members of the Gateway Cities COG agreed to assess themselves to raise the funds to develop our own SCS. We conducted a series of workshops with City planning staff supported by technical consulting team to combine transportation project data for the SCS. Although the regional greenhouse gas reduction targets did not apply to the Gateway Cities as a sub-region, we nonetheless determined that the combined strategies of our cities would result in GHG reductions of 8.5 percent by 2020 and 15 percent by 2035, both in excess of the regional reduction targets.

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

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

Our Gateway Cities SCS has now been incorporated
in full into the Regional SCAG SCS. Thus, the regional
SCS includes and supports the local plans, policies, and
strategies that comprise with Gateway SCS.

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

Thank you for your consideration.

CHAIRPERSON NICHOLS: Thank you.

John Longville.

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

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

And I can remember working with some folks here
more than two decades ago with Byran Sher and Kip Lipper
on development of the language of AB 2766 and Chairing the
MSRC for five years. Very effective way to allow local
government to raise some funds to address these issues, by
the way, something which was done 20 years ago.

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

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

And as one of the founding members of the
Metrolink Board and creators of that, I look at
Dr. Sperling. I know that the ridership is not going to
be what we see in New York or Chicago. None of us are
under illusions as to what is achievable in a short time.
But the ridership has grown tremendously on Metrolink and
this plan will take and provide the increases in service
that will allow greater ridership. The ridership is there
for whatever trains we can put out there. It's just we
can't put enough trains out.
So, really, what this boils down to is there is not enough money for all of the solutions that are needed here. And so I urge you to not only continue your long-standing support for this effort in so many ways, but specifically to weigh in on the battle to get the state to allow our local officials to take the steps that residents are asking them to take. Our residents have repeatedly demonstrated their willingness to vote for revenue-raising measures. It's the state which has repeatedly cut off various funding and restricted local government's ability to raise money. That's what we need to work on.

Thank you very much.

CHAIRPERSON NICHOLS: Thank you.

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

So with that, we'll move on to Parisa Fatehi-Weeks from Public Advocates and then Amanda Eaken is going to be the last witness.
BOARD MEMBER SPERLING: I can't restrain myself. I did have a double cappuccino this morning.

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

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

CHAIRPERSON NICHOLS: Fair enough. Okay.

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

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

But there are also real risks if we don't examine them, we won't be able to prevent them and treat them.
These apply in the context of the SCSs that are before you today. But they also apply to those coming your way and those MPOs with whom you're still working in the formation stage.

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

And we called your attention to these issues for a few reasons. One: It matters for greenhouse gas performance for greenhouse gas reduction. Evidence shows without adequate affordable housing and protections against displacement, infill development can lead to gentrification, can push disadvantaged communities far from the urban areas where they've long been living. And these are the communities that have actually the lowest vehicle miles traveled for household. They have the highest rates of transit ridership. That's the kind of behavior that SB 375 is intended to reward. If these communities are pushed out and disconnected from the transit they've long used, they will be forced to drive longer distances in less efficient vehicles. And of
course, the greenhouse gas impacts of something like that are serious for every region, but also for the whole state's ability to meet our targets.

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

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

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

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

MS. EAKEN: Good morning, Madam Chair and Board members.
Amanda Eaken with the Natural Resources Defense Council.

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

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

Two things you should know about this plan. As Denny mentioned, yesterday SCAG's Joint Policy Committee voted unanimously to adopt a motion at our urging that provides significant enhancements for Metrolink commuter
rail service, active transportation, and increased funding for Compass Blueprint to recognize the critical role of local governments in implementing this plan.

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

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

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

And we agree with Board Member D'Adamo, who's left the room, that a thoughtful analysis of whether these projects are actually achieving SCAG's own goals of improving air quality, improving public health, and creating affordable mobility options could significantly strengthen this plan the next time around. The project performance assessment process that's been pioneered by the Bay Area provides the perfect example. And it's
exactly what we hoped to happen with 375 that best practices in one region could then be replicated in other regions, provides the perfect example for SCAG staff to commit to between now and 2016.

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

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

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

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

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

I remember Dan Walters' comment about Southern
California being the most complex and diverse social, economic, and political society in the history of mankind. And I think that's a defendable premise. And I think as we talk about this plan, you need to think about that contention.

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

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

CHAIRPERSON NICHOLS: Well, any other final comments?

Yes.

BOARD MEMBER SPERLING: One comment and one suggestion.

Following up, I think what Amanda Eaken suggested is a very important one in terms of what MTC has started
to do in terms of trying to impose more of a
performance-based approach process. And we actually
started that with using the metric of greenhouse gas
reductions per capita is really -- is a performance metric
and kind of thinking about how to use that even more
effectively is important.

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

CHAIRPERSON NICHOLS: Okay.

BOARD MEMBER BALMES: Mary.

CHAIRPERSON NICHOLS: Yes? I'm sorry.

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

First of all, as being a Southern California
transplant to northern California, originally starting in
Chicago, I was kind of -- when I lived in L.A. and I did
live in the city, I thought it was a tad dysfunctional.

This is coming from a Chicago boy where -- I actually
think the municipal government works very well on the city level, maybe not at the county level.

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

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

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

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

So I think that in meeting the challenge that was put forth by Mr. Heminger about trying to make -- trying to make a plan -- the regional plans implementable, I also think that CARB has a role with regard to trying to make
sure that co-benefits are achieved and that environmental justice concerns are recognized.

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

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

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

CHAIRPERSON NICHOLS: Okay. Any other closing comments?

If not, just a reminder that what we're doing here today is giving input and reviewing what's been done
to date. And we've I think given a lot of encouragement and support. But we do have some thoughts about how to improve our processes going forward.

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

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

I really like the idea of doing a review of the first round of plans and assessing what some of the best practices have been that we've seen and trying to make sure they are disseminated throughout the state. That will be particularly helpful in places that haven't yet
come to terms with their sustainable community strategies. I won't bother to mention which region of the state that would be, but we all know that not everybody is there yet at all. And it's particularly true for some of the issues where we're beginning to now develop some better ideas about indicators and metrics.

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

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

It's also true that as an agency we can
participate within the council of state agencies through the Office of Planning and Research and their Strategic Growth Council and elsewhere as the advocates for using SB 375 effectively as a tool. And we are the guardians of again success on SB 375. So it's a tremendous responsibility and opportunity that we have.

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

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

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

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

(Whereupon a lunch recess was taken at 12:01 p.m.)
CHAIRPERSON NICHOLS: The next agenda item is an informational report on the Draft Sustainable Communities Strategy for the Sacramento Area Council of Governments, also known as SACOG. And I'm very pleased to see that SACOG has built on its legacy of blueprint planning in developing its own first Sustainable Communities Strategy.

For nearly a decade, SACOG has been a leader in scenario planning and the development of its regional transportation plan. Scenario planning, of course, is a tool that enhances public engagement and provides valuable information for decision making.

While this is the first SCS to come out of SACOG, it's the second plan that is linking growth patterns and smart land use principles to the transportation system.

Now, we do recognize that just as we've mentioned, although Los Angeles is only a part of Southern California, Sacramento is more than just the urbanized metropolitan area. It also includes rural and agricultural lands. And by implementing findings from the rural urban connection strategy, this plan takes a positive step in the direction of conserving agricultural lands and other open spaces.
As we look at the urbanized area of Sacramento, the plan accommodates the future population growth largely within the region's current development footprint and with greater investment in the transit system.

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

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

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

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

Mr. Goldstene, would you please introduce this item.

EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman Nichols.

Since this is today's second item on 375, we'll forgo the background discussion and move directly to
SACOG's plan and our evaluation of the greenhouse gas reductions.

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

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

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

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

(Thereupon an overhead presentation was presented as follows.)

MS. KIMURA: Thank you, Mr. Goldstene.

My presentation will discuss staff's evaluation of SACOG's Draft Sustainable Communities Strategy, released for public review this past November.
MS. KIMURA: The proposed plan covers a 23-year period from 2012 to 2035 and identifies over $35 billion in transportation projects and priorities.

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

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

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

MS. KIMURA: The planning area covered by SACOG spans a diverse geography, including agricultural lands,
urban and foothill communities, as well as the sparsely populated forests of the western Sierra Nevada. Portions of Sacramento, Placer, and Yolo Counties comprise the major urbanized area of the region, with about 85 percent of the population, housing, and employment.

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

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

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

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

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

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

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

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

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

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

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

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

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MS. KIMURA: The growing proportion of compact
development helps the region make the most of its infill
and mixed use opportunities.

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

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

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

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

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

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

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

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

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

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

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

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

The results of the analysis showed similar results in environmental justice communities compared to other communities in the region. SACOG acknowledges the need to continue expanding its capacity for future EJ analyses.
Currently, they are in the process of developing a job-housing fit tool through funding from a federal HUD sustainability grant. They are also seeking grant funds to allow for enhanced evaluation of public health measures in future plans.

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

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

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

ARB staff's assessment of SACOG's greenhouse gas quantification indicates that SACOG appropriately applied model inputs and assumptions. Its travel demand model was sensitive to the key land use and transportation
strategies proposed in its plan. And where strategies of
the plan were not modeled, off model calculations were
appropriately applied.

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

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

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

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

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

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

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

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

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MS. KIMURA: Based on these and other performance indicators, ARB staff's review show SACOG's draft plan achieves per capita greenhouse gas emission reductions from 2005 levels of nine percent in 2020 and 16 percent in 2035. These reductions meet the targets set by ARB of seven percent in 2020 and 16 percent in 2035.
MS. KIMURA: Similar to the process ahead for the Southern California region, SACOG will be considering adoption of its final plan this coming April. Once adopted, SACOG will submit its final plan to ARB. ARB staff will then review it for any changes that would affect the quantification of greenhouse gas emissions. Upon completion of staff's review, ARB's Executive Officer will accept or reject SACOG's determination with transmittal of a signed Executive Order.

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

BOARD MEMBER RIORDAN: Thank you very much. Mr. Goldstene, do you have any final comments? Ideally, I would like to have Mike McKeever make a presentation and then open it to questions if the Board has any questions.

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

BOARD MEMBER RIORDAN: We do thank you. Please come forward and share with us any thoughts you have on this plan.
MR. MC KEEVER: Thank you very much. Just a few brief comments.

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

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

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

We're often grouped together with the three other largest metropolitan planning organizations in the state for good and understandable reasons. But we share in many ways at least as many commonalities with our sister MPOs going down the valley as well. Our land form, our market economics, our expanse of flat land that has been sprawled
onto for decades here in our development pattern in many ways is much more similar with the pattern of the MPOs that will be coming your way in a couple of years with their plans than with any of the other three larger MPOs. And so figuring out how to make a transit system work in this region in particular is a big, big challenge. We have more than broken a sweat trying to figure out how to do that.

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

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

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

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

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

What we've done in this plan is really tried to maximize the CEQA streamlining benefits that are available to us. We spent a lot of time on that. And so there are some specialized benefits that are embedded in Senate Bill
375 that we have spent a lot of time figuring out how to make sure -- and we hope the ground we're plowing there will be useful to others.

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

I'm very happy to say that the author of Senate Bill 375, Senate Pro Tem Darryl Steinberg has also agreed to author what he refers to -- we're going to have to come up with a better name -- sorry, Senator -- what he refers to as Redevelopment 2.0, which is the new version of -- we don't know what to call it yet. It's very, very critical that we stand something up to replace the demise of redevelopment agencies. I'm not trying to get in the middle of debate. There might have been plenty of good reasons to do that. But for the goals of this law, that is a mortal threat. And I chose those words carefully. And we must replace it with something that gives our cities and counties and development community a way to put development into these transit priority areas in particular.
And while this bill is still at Leg. Counsel as we speak, I'm sure I can say that the basic policy foundation for that bill will not be the notion of urban blight, but will be helping to implement Senate Bill 375, in particular development in transit priority areas. So it's going to be an uphill -- it's going to be uphill to get there.

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

I do want to say one other thing in closing. You heard a lot about the good wonderful process at SCAG, the big inconclusive process with both its members and stakeholders. We had the benefit when we did our blueprint of getting some of that good feeling as well and understanding just what can happen when you get a broad base of society involved and pushing in the right direction. So we all know there are too many examples of
destructive community involvement out and about in our society today at all levels of government. We've all experienced at least a little bit of that in our own SCS processes. But we have had, by and large, very constructive engagement.

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

BOARD MEMBER RIORDAN: Thank you.

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

BOARD MEMBER YEAGER: I do have a burning question. I trying to remember how long ago it was. It may have been six months or longer that the front page of the Sacramento Bee they had a great map showing where the population had increased and where it had decreased. And
the decrease was all in the urban core and the increase was in the surrounding area. And there might be any number of reasons for that as where the housing where was, where the schools were, any number of things. But given your plan, I'm just wondering how you're handling what is happening in people's decisions about where they want to live and if that is more of an anti-urban feel here as opposed to many people want to live more in the suburbs and how does that sort of mix with what you're saying as far as increased transit and in-fill development and lower VMT. I'm just wondering if the two really are as in sync as much as perhaps you're saying.

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

BOARD MEMBER YEAGER: Yes.

(Laughter)

MR. MC KEEVER: That's not -- it was a friendly smart remark. You know, indulge me in saying the Sacramento Bee has been a phenomenal help in the whole educational process in the region. That particular story got it wrong for two reasons. The time period that the data represented included the first part of the decade where we
still were very much under the -- what we call the base
case growth pattern of growing outward and when the boom
was at its height. We haven't had much volume of growth
in the last three or four years as anybody else.

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

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

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

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

BOARD MEMBER D'ADAMO: Just a quick question.

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

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

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

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

CHAIRPERSON NICHOLS: Okay. Thank you very much.

We'll call next on Bonnie Holmes-Gen, and then Autumn Bernstein.

MS. HOLMES-GEN: Good afternoon, Chairman Nichols and Board members.
Bonnie Holmes-Gen again with the American Lung Association of California.

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

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

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

And we're pleased that SACOG staff has also taken the goal of measuring and improving public health
seriously, public health impacts, and has applied for
grant funding, as mentioned, with the Strategic Growth
Council to make this planning effort a reality. We would
encourage you as a member of the Strategic Growth Council
to support this proposal and again to work with SACOG and
all the MPOs to support the ongoing measurement and
reporting on health and equity indicators.

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

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

Thank you very much.
CHAIRPERSON NICHOLS: Thank you.

We'll hear from Autumn.

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

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

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

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

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

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

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

And finally, on May 2nd, we are on the Steering Committee for a Transportation Choices lobby day here in Sacramento where we'll be educating the Legislature about
the importance of funding transit. And check out our
website for more info on that. Thank you.

CHAIRPERSON NICHOLS: Thank you.

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

MS. RATNER: Thank you. My name is Jill Ratner.

And I, along with Myesha Williams, co-direct the New
Voices are Rising Project, which is a project of the Rose
Foundation for Communities and the Environment in Oakland.

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

We're really here to underscore the importance of
the Air Resources Board and staff looking closely at
environmental justice issues when reviewing the
Sustainable Communities Strategy Plans and following up
through the implementation phases.
Since we're from Oakland, which is an old established urban center, in some ways, our comments might have been more closely tied to the presentation earlier today. But really, the key issues that students are facing are issues that are being faced all the way across the state. And the vision for the kinds of communities they hope will come out of the sustainable communities strategies planning process I think will sound very familiar to our friends in Sacramento.

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

"My vision for a sustainable community is a vibrant neighborhood. You have everything concentrated in one area so you don't have to travel far. My vision includes grocery stores, healthy grocery stores especially, and it's all concentrated in one neighborhood. It makes a vibrant community when everyone is shopping in that same community because you have money coming back straight to that community."
"Also, the shops can be sources of jobs for the low-income people who live there. If everything is concentrated in one area, you don't really have to take transportation out. Around the neighborhood, you have parks where people can go play. You have swimming pools, recreation centers for kids.

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

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

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

MS. WILLIAMS: My name is Myesha Williams, and I'm the second staff person that runs the New Voices are
Rising Project with Jill Ratner.

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

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

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

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

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

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

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

I'm here in support of the Sustainable
Communities Strategies process. However, it is important that we keep in mind some possible issues that may arise surrounding these strategies.

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

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

At the same time, it is important to remember that the areas identified as priority development areas are important in parts of cities where low-income residents are vulnerable to being displaced. Living in Oakland, I have known many people who found themselves forced to leave their neighborhoods when new developments cleaned up or improved our neighborhoods at the expense of the residents. In the past five years, the culture and identity of my neighborhood has drastically changed and the people I grew up with are now looking for places to
live, sometimes moving to more polluted parts of the city, sometimes moving further out into the suburbs where housing is less expensive, sometimes leaving the area all together.

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

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

Without careful, conscious planning, more low-income residents will be pushed out to less attractive and more polluted parts of the city. This will lead to more environmental inequalities. These same residents are already people that suffer from high hospitalization rates, cardiovascular illness, cancer, and lower life expectancies. We should not add to the list of issues these residents already have to worry about. We should be
the ones to offer solutions. Thank you so much.

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

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

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

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

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

It would be better if BART stations and bus lines
will be closer to the house so people would have reasons
to take bus and BART. People would drive less and take
public transit if it was cheaper. I've seen bus fares and
BART fares go up a lot. Most people can't afford the cost of the bus fares, so it will be better if you could have cheaper transportation for them.

Thank you.

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

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

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

We also mapped out how they are getting to those stores. Most of the students walk to the nearby liquor stores or take the bus to nearby fast food restaurants.
We found that access to fast food stores and liquor stores are more pronounced than grocery stores because of the easy access to liquor stores, which is a distance of a couple blocks versus a grocery store, which is 20 blocks away from their home or school.

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

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

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

Any planning agency must take many aspects of the community into consideration when making decisions. We are here to urge you to prioritize environmental justice aspects when receiving regional sustainable community strategy plans to make sure that historically burdened low-income residents and residents of color can benefit
equally in the planning processes and to make sure they 
are not further burdened, especially in dealing with 
pollutants in their communities.

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

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

Yes, we need to be able to develop this land for 
use, but is developing the land for transportation needs 
or housing needs going to have negative health effects on 
the people who live, work, and play in these grounds? 
Environmental issues need to be considered at this 
junction in order to make equitable decisions about the 
health of the community.
Ultimately, transit-oriented development is a great thing and we support it. However, these development projects must be done in a way that minimizes any exposure to environmental hazards. We strongly urge you to place the health of the community as a priority from start to finish in reviewing proposed sustainable community strategy plans. Thank you.

CHAIRPERSON NICHOLS: Thank you.

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

Amanda Eaken is next.

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

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

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

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

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

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

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

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

I want to thank the Board and your staff for the
leadership and look forward to working with you in the
months to come.
CHAIRPERSON NICHOLS: Thank you for sticking around.

Hasan.

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

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

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

So, yes, they don't have groupies. And, yes they didn't have a cute kids saying, "Let's get to work." But they do have an excellent plan and I am very proud.

Somebody asked me, "Do you guys get together and say go testify on behalf of each other?" And I can answer no. But we do meet a lot, thanks to 375. And we do know everything about our plan. And I want to thank Mike and his staff for sharing their experiences in the past that made our plans better.

So I'm here to urge absolute support for this excellent plan for Sacramento area. Thank you.
CHAIRPERSON NICHOLS: Thank you.

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

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

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

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

Several people before me have commented, including Autumn Bernstein and Parisa Fatehi-Weeks on the importance of making sure that low-income communities and communities of color aren't displaced or otherwise
affected by these plans. So I won't go into a ton of
detail there, but we definitely echo those comments and
are very interested in seeing that those concerns are both
addressed within the plans and also considered by your
Board in approving these plans in the future.

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

MR. GREENE: Mike says uh-uh.

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

SACOG has been a tremendous collaborator for us,
and I think that their efforts and Mike's efforts working
with the rest of the folks in the state have done a
tremendous job of moving the whole thing forward. But
that has benefits for air quality that are just
immeasurable and they're going to be shown over the years
to roll into the greenhouse gas and other things like
that. So criteria pollutants, toxics, greenhouse gases, all that goes together and this plan helps all of those.

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

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

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

CHAIRPERSON NICHOLS: Thank you.

And that is the end of my list of witnesses. So again, this is an opportunity for input and some direction. It's not a vote on anything at this time. But does any Board members have any comments that they would
like to make? Now would be the time to do it. If you
must--

BOARD MEMBER SPERLING: Kudos.
CHAIRPERSON NICHOLS: I think we expended all of
our energy.

BOARD MEMBER SPERLING: Kudos to SACOG.
CHAIRPERSON NICHOLS: That we can definitely do.
I think all of us are delighted to be able to join in an
occasion to praise work that's good. And it's nice to be
able to do that.

I think although the people that we heard from
from Oakland obviously we're not directing their testimony
at SACOG in particular, their comments do raise in my mind
again sort of what ARB's role in all of these issues is,
because I sort of see two distinct strands. One is if a
plan is based on assumptions about what's going to happen
in the future, which are contrary to reality. If, for
example, as we hypothesize before you had some sort of
development strategy that resulted in nothing but
gentrification happening in dense areas and poor people
being forced out into distant rural communities, obviously
that would undermine the validity of the assumptions. And
you can honestly say the plan was not going to achieve the
goals in terms of CO2. That's something that you can
analyze for I think and develop tools really metrics for.
The other piece of this is sort of an affirmative responsibility that all agencies, includes ours, have to look at what we're doing from the perspective of how we're acting to improve the state of environmental justice or at least prevent environmental injustices from happening.

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

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

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

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

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

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

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

Mrs. Riordan.

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

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

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

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

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

So just what Board Member Riordan said, you know,
there are ways of dealing with it. But it's just like you want a strong economy, there are going to be changes that happen and we want to work with it. And I think the responsibility for the MPOs is to try to understand it a little better in terms of how to make sure to mitigate any bad effects from happening.

CHAIRPERSON NICHOLS: Thank you very much. Appreciate your willingness to participate in this conversation.

Okay. Mayor.

BOARD MEMBER LOVERIDGE: Calling on sort of a more general observations, but let me make several of them.

One, in many ways, all of California has sort of gentrified itself by the housing prices as compared to other states. And where Ken Yeager is is sort of a gentrification county in terms if I wanted to buy a house there, it's very difficult for me to do it.

But at least from what I can tell -- this kind of thing really calls out somebody that's into tomography and what's happening. I think the gentrification numbers are fairly modest. But where the poverty is showing up now is the first tier suburbs, the older suburbs around major metropolitan regions and certainly through the Los Angeles area.
But I think we've got to be very careful on gentrification, but I think you get back in the generalization that Mr. Sperling made that it's a problem, but it's a fairly minor problem in terms of big numbers. Comments evoke observations.

BOARD MEMBER SHERRIFFS: Although we're not sure we have the tools to deal with this, at the very least, I think we want to ensure that the plans are measuring these things. That's a huge step forward to at least understand what's going on and what the effects are, because these are clearly things we can focus more attention on. If we don't know what's going on, we're without data.

CHAIRPERSON NICHOLS: I think that's very true. I think there's still work to be done on improving those tools for doing the measuring and agreeing on what exactly it is we need to measure. But that definitely is in the ARB's general area of expertise.

Yes. Yes.

BOARD MEMBER BALMES: So you just want to say I think I've just become a SACOG groupy, because there is a first attempt at measuring some of these things. There is some metrics that are built into the SACOG plan, and I really applaud you for that. We're obviously going to need to do more based on my comments earlier. But hear hear.
CHAIRPERSON NICHOLS: Okay. I think that's enough praise for SACOG.

MR. MC KEEVER: I do have one final thought. You've been asking what you can do to help. I think when the SCAG Board adopts their plan on April 4th of their general assembly, you ought to throw them a parade.

CHAIRPERSON NICHOLS: A parade. But with only electric vehicles.

(Laughter)

MR. MC KEEVER: I think the Chair and Hasan would be a very attractive couple in the lead car.

CHAIRPERSON NICHOLS: We have two more items, both of which I think are reasonably compact. The first is just a report from our Ombudsman. And I will say a few words while she's getting organized here.

Two-and-a-half years ago, we hired La Ronda Bowen as our Ombudsman. Hard to believe that much time has passed, actually. It's flown by. But when La Ronda joined us, it was with an explicit mandate to help us meet a great need to make sure that our office was at the head of the nation when it came to ensuring that the voices of California's small business owners are heard. We had been hearing repeatedly in connection with the development of the Scoping Plan for AB 32, but on other issues as well, and obviously as the economy was also going into a
terrible recession that small businesses in particular felt that they were not being heard in ARB's regulatory processes, that they weren't necessarily considered when we designed our regulations, and they were lacking in information and tools to understand or comply with those regulations.

In the first few months on the job, La Ronda focused on making her office more proactive and responsive. Since then, she's engaged throughout the organization, as we asked her to, to touch on every single part of our program and to look for opportunities to infuse small business thinking into the organization. She and her team have been an important resource for small businesses who need assistance. I don't hesitate to lean on her or her staff to go out when I need help in meeting with or reaching out to communities. And I know others of you do the same.

She has reached out very effectively not only to business, but to environmental, local government and other public agency stakeholders looking for ways to find common ground, fresh ideas for strengthening our programs, as well as helping with other's agendas as well as for the good of the state as a whole. And she always gets positive feedback wherever she goes. And she's opened a lot of new doors for us.
So I thought it was a good opportunity to have her come in and just give us an update on what's going on with the Ombudsman's office. Oh, Mr. Goldstene.

EXECUTIVE OFFICER GOLDSTENE: La Ronda's idea is that the Ombudsman should serve as a strong force within the organization to articulate and integrate stakeholder interests throughout everything we do every day. To better serve all stakeholders, La Ronda has focused on creating stronger connections between ARB, other State agencies, the air districts, and the private sector. This includes making better use of technology and in working on improving communication in various ways.

La Ronda is helping us get into the field where our customers are, rather than waiting for them to come to us. In subtle but significant ways, she has been changing our internal culture when it comes to working with small businesses. So now La Ronda, please present your overview.

(Thereupon an overhead presentation was presented as follows.)

OMBUDSMAN BOWEN: Thank you. Good afternoon.

In 2010, I presented this Board with the Ombudsman's Business Plan for the developing the office that would serve all Californians with an interest in the work that CARB does to reduce air pollution, control
greenhouse gas emissions, and protect public health.

Our priority was to establish mechanisms for meeting and exceeding federal and State mandates in the areas of business assistance, problem solving, and environmental education. I'm happy to report that at the end of 2011 we had implemented about 50 percent of that business plan.

Today, I will provide an overview of those our mandates, emphasize some of the key compliance assistance strategies, tools, and partnerships that the Ombudsman uses. And I will provide an update on how we continue to support air quality education. And finally close by sharing a snapshot of the international reach of ARB's work and the Ombudsman's goals for 2012.

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OMBUDSMAN BOWEN: The Air Resources Board has a big customer base for its product of clean air, healthy air. Ombudsman is the bridge between ARB for California's 37 million residents, including the 3.4 million of them who own small businesses. Of those, many use processes or equipment that emit something into the air and are regulated by the Air Resources Board or local air district. When air regulations are unclear or present compliance challenges, the Ombudsman is often asked to help. And we'll discuss more about this in later slides.
Also, when non-regulated residents have questions or complaints, they call or e-mail the Ombudsman. When teachers need resources for environmental education or college professors need information for students interested in pollution as a career, they call us.

Often, members of the Board, as well as ARB's executive and line staff, look to Ombudsman to provide internal feedback loop on what is working well and on areas where we can improve. Through the Ombudsman and other mechanisms, ARB is constantly listening and responding to our customers and using what we learn to shape policy regulations.

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OMBUDSMAN BOWEN: The laws that help define the role of the Ombudsman are the Environmental Education Initiative, the California Government Code, the Section 507 of the Clean Air Act Amendments.

The EEI required development of an environmental curriculum for K through twelve schools and the Air Resources Board worked with Cal/EPA agencies and welcomed the approval of that curriculum last year. Since then, the Air Board has worked to support its implementation and I will describe that at the end of this presentation.

California Government Code requires the Ombudsman to provide outreach, investigate and seek solutions to
complaints, and work to achieve California's procurement
goals for small, micro, and disabled veteran businesses.
That work is actually done through our Administrative
Services Group.
Congress included section 507 and Title 5 of the
1990 Clean Air Act Amendments anticipating the challenges
small businesses owners would face with new regulations.
It required each state to establish and maintain a small
business technical assistance program as part of having a
fully approved SIP. Typical 507 duties include
developing, collecting, and coordinating information on
compliance methods and technologies, ensuring adequate
mechanisms for timely notification to small businesses,
ensuring regulations are written in plain language,
helping businesses with permitting and pollution
prevention, and developing and promoting compliance tools
and resources. 507's goal is to bridge the gap between
the expertise small business owners have and what they
need to participate in rule development and understand how
to comply.
In many ways, the California Government Code and
the Clean Air Act form the nucleus of the routine work of
the Ombudsman's office as we work with all ARB customers.
For today's presentation, we will focus on small business.

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OMBUDSMAN BOWEN: Why is small business important?

Small business equals innovation and jobs. According to the California Economic Strategy Panel's 2010 economic profile of California in which this chart that you see on the right was a footnote, small businesses with fewer than 100 employees represent about 98 percent of the businesses in California and provide approximately 55 percent of our jobs.

Now, if anyone thinks a company with just four employees is not very important, consider Solazyme, a south San Francisco company that cultivates and grows alga to make products, including one that is very important to the ARB, biodiesel. In 2006, Solazyme received a small businesses innovation and research grant. With that grant, it developed an algae that drew the interest of the US military.

Next, it earned a Phase 2 small business technology transfer grant, which attracted venture capital. Then with the half million dollars in revenue and about a dozen employees, it completed its Phase 2 effort and secured a contract with the military to fully commercialize its product.

In the three-year period ending in 2010, Solazyme had grown more than 20,000 percent. It had 104 employees.
and 2010 revenue of $38 million. Recently, Solazyme was named number one in the 2011-2012 50 hottest companies in bioenergy.

So this story illustrates three points: That micro businesses grow into significant engines for new technologies that ARB needs to achieve healthy air and that California need for a sustainable economy; that government's role includes nurturing those businesses, even if it is only a referral to the right place. And that achieving policy objectives and small business innovation are inter dependent.

Solazyme did not seek help from the ARB, but others have. Since 2010, we have referred promising start-up technology firms to the SBIR/STTR programs, the California Energy Commission, Lawrence Berkeley National Labs, and the California Manufacturing Partnership for grants or technical assistance. We have referred businesses seeking federal contracts to the Federal Technology Center and SBA's on-line self-training and some seeking management help to the small business development centers. We work to connect small businesses to opportunities, knowing that in the long run some of these businesses will thrive and provide jobs for Californians and create fresh ideas to reduce pollution and enhance health.
OMBUDSMAN BOWEN: Small business owners consistently identify regulatory compliance among their concerns as they try to grow their business and remain competitive. Compliance requires information, technical and financial resources, and a way to resolve problems before they become enforcement issues.

The first steps to ensuring compliance with the rule is to make sure that businesses are at the table when the rule is being developed and to ensure that the rule is available in understandable language.

With limited resources, most small businesses cannot afford the time to come to rule workshops. To ease this problem, ARB webcasts many of its regulatory workshops. Ombudsman staff raise issues they are aware of from a business perspective, and staff uses a variety of tools to reach out to industry, suppliers, trade associations, and businesses.

ARB also use financial programs, air quality compliance assistance classes, including webinars, and educational materials to ensure that businesses can successfully comply with rules.

Sometimes a businesses makes a good faith effort to comply with the regulations but encounters a roadblock. When that happens, the Ombudsman is here to help. Here's
one example on ARB teamwork on behalf of a customer.

Mr. A timely purchased and had a filter installed on his diesel truck. He first contacted ARB's Retrofit Implementation Section in March of 2011 to complain the filter was not working. He believed it was installed incorrectly. Because Mr. A was a Spanish speaker, his call was forwarded to the Spanish line at the Ombudsman office where staff could help him in his native language.

Ombudsman staff worked with Stationary Source Division staff from the Project Support Section and collected enough data to question the installation of the filter. Mr. A was given a time extension on compliance with the drayage rule so he could keep working while staff further investigated the problem.

As a result of the Ombudsman and SSD data collection effort, Mobile Source Control Division investigated the installation and determined that the filter had, in fact, been installed incorrectly. Mr. A received a full refund for the price of the filter and installation, which he used to purchase a 2008 model year engine. He is now in compliance with the drayage regulation until 2023.

While not every problem is solved so successfully, both the ARB and our customer's always gain greater understanding and knowledge that we can use going
forward.

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OMBUDSMAN BOWEN: Hot lines are a major tool in ARB's compliance assistance efforts. The ARB operates about 17 discrete hot lines to provide our customers with easy access to ARB staff. Historically, the busiest lines are the 866 diesel number operated by the MSCD in Sacramento and the motor vehicle information help line operated by Ombudsman staff in El Monte. Depending on whether ARB has an eminent rule registration or funding deadline approaching, calls typically range between 2,000 and 7,000 calls per month on each of these lines.

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OMBUDSMAN BOWEN: The chart above is an example. In 2011, the El Monte office received over 48,000 hot line calls. The largest number of calls, just under 15 percent, were associated with automobile recalls. Aftermarket parts and engine changes and catalytic converters made up approximately 12 percent and 10 percent of the calls respectively.

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OMBUDSMAN BOWEN: Web resources. In 2011, business assistance was added to the red bar at the top of every ARB web page. The A to Z index at the top of the page in blue makes it easy for customers to find what they
need alphabetically. Business assistance web links include sources for permitting support, direct access to local air quality districts, and other city or county resources and various financial incentives.

The Ombudsman's office has just completed new web pages that provide county-specific demographic information that can assist ARB staff in regulatory outreach as well as assist businesses in finding local sources of air permits and city agencies that may be able to answer questions that ARB staff can cannot.

CHAIRPERSON NICHOLS: Can I just interrupt with a question on that? One of the most frustrating things I find when I visit web sites is they don't tell you a name of a live person who's actually there who can answer the phone for you or the name of a person who will respond to an e-mail. I couldn't read the tiny print on this to let me know if that was there. And if it is, are you keeping it up to date?

OMBUDSMAN BOWEN: Yes, it is. If you click on the website we just put up, you click on the city. You go into your county and find your city, and we have the air district. We have the contact information for the Executive Officer. We have our staff who's here, their contract information. And we have Vasve who's whole job is to keeping all of this up to date and current. We
check it. He just went through and changed all of the
demographic information to match the new Census Bureau
information. So it actually if you go in and click on Los
Angeles County and you pick on the city of L.A., if you
look in the county page you can actually see what are the
kinds of businesses, what zip codes are they in. You get
that kind of information. You click on the city, you find
the air district. You click on South Coast, you'll get
Barry Wallerstein's contact information.

CHAIRPERSON NICHOLS: Have to see if Barry is
answering his phone.

OMBUDSMAN BOWEN: Somebody will. They'll make
sure you get to the right place and you get Larry Greene
too.

Does that answer your question?

CHAIRPERSON NICHOLS: Yes, thank you.

OMBUDSMAN BOWEN: Another thing we're trying to
do is maximize our resources. An ongoing effort of the
Ombudsman staff is to leverage our time and resources by
connecting with other government, private, and nonprofit
entities. We proactively share tools, outreach
strategies, and knowledge within and outside of
California.

For 2011, for example, Department of Toxics
Substances Control incorporated the Cool California
website, which was an AB 32 early action item into its enabling legislation establishing a California Green Business Program. In fact, this collaboration flows in multiple directions. ARB worked with DTSC and Cal Recycle to incorporate their emission calculators into the Cool California small business calculator to better serve all of our customers.

Also in 2011, Cool California and ARB's website were shared nationally through the U.S. EPA's National Steering Committee of Small Business Assistance Programs. Those are 507s. ARB's Ombudsman is the Region 9 representative to that organization.

We also continue to participate with Cal/EPA's Interagency Working Group on multi-agency permit issues and with the multi-agency Governor's Office of Economic Development, now known as Go Biz to share resources. We have strengthened our collaboration with educational and outreach entities such as the Powerhouse Science Center here in Sacramento and the Green Technology Forum that is operating statewide.

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OMBUDSMAN BOWEN: As you know, the Ombudsman staff is deployed regionally. California is a big state. One way we identify partners for collaboration us by staff developing local relationships. This is an ongoing effort
and is expected to help business and individuals understand what they need to do to comply with the regulations, register equipment, report their data, or apply for financial incentives.

It is also expected to provide ARB with greater insight into the needs and characteristics of California's diverse regions and the stakeholders located there. We are constantly seeking better statewide connectivity on air quality and other issues.

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OMBUDSMAN BOWEN: Businesses don't differentiate between ARB and local air district rules. They just know they need an answer. So Ombudsman staff has been reaching out to local air district staff to identify effective ways of sharing information and serving customers. Local air districts are key partners for communicating accurate information to the people who live and work in their region.

In 2011, our staff supported the South Coast Air Quality Management District in outreach efforts for its lawnmower exchange in Southern California. We and ARB's Mobile Source Control Division joined the Bay Area AQMD in outreach to truckers at the Port of Oakland. And in San Diego, we arranged the meeting between the respective compliance staff of ARB and San Diego APCD.
In that case, ARB was in San Diego to provide compliance training on our diesel regulation. Connecting the ARB staff and the air district staff to ensure that the air district had all the information we were providing to their customers just made sense.

Our office continues to work to make these kinds of connections a regular part of ARB's outreach.

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OMBUDSMAN BOWEN: The ARB's Air Quality Education Program, this is not a business compliance program. The Ombudsman office also implements ARB's Air Quality Education Program. During the past year, over 1300 students have been involved in environmental and health events we supported. Staff made air pollution and climate change presentations to environmental studies classes at De Anza College in Cupertino, assisted the science project presentations to 7th to 9th graders at the School of Engineering and Sciences in South Sacramento, and developed ARB booths at Cal/EPA's Earth Day, Take Our Children to Work Day, State Scientists Day, and American Lung Association's Health Care Lobby Day events.

Ombudsman, with support from Research Division and the Communication Group, is also managing the Climate Generation Program, a project-based competition for California high school students that links environmental
education to climate action projects.

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OMBUDSMAN BOWEN: ARB's work is of international interest. The Ombudsman's office manages requests for visits and meetings with foreign delegations. In 2011, we facilitated approximately 25 different governmental and industry groups from around the world. Discussions covered many topics, but the majority focused on climate change and ARB's Cap and Trade Program.

Today, for example, if you look in the audience, you will see that we have a welcome group of Korean visitors from the senior government of South Korea and also from the university there. So we welcome them.

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OMBUDSMAN BOWEN: Ombudsman goals for 2012.

In addition to continuing with the progress on the program outlined so far, your Ombudsman has three goals for 2012.

Number one, in 2011, we began a project to investigate best practices in stakeholder engagement. The goal is to complete that process this year, share the results internally, and provide your chair and our Executive Officer with recommendations to help strengthen ARB's stakeholder engagement processes.

Two, develop stronger compliance assistance
mechanisms for California businesses by working with stakeholders to identify tools, needs, and resources.

And finally, to strengthen and increase the opportunities for building relationship bridges across the public, regulatory, private and educational sectors to realize synergy where possible.

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OMBUDSMAN BOWEN: Those are our goals. And that completes my presentation. And happy to answer any questions you may have.

CHAIRPERSON NICHOLS: Thank you. That was a nice presentation.

Anybody have any questions?

Sandra, our Board member who represents small business owners.

BOARD MEMBER BERG: I would like to take the opportunity for thank La Ronda for not only a fabulous job on the report, but also bringing up your staff today at lunch. It was a delight to meet the people that are on the road and interacting with all of our stakeholders. That was really, really interesting. And also you know, what a shining star of ARB.

So I think my question would be: How do we get out this information to the stakeholders at large about our success stories? And it seems that we spend a lot of
time necessarily so on problems and on unhappy circumstances. It sure would be a great opportunity to take this type of information and being able to communicate it in a way that gives a balanced approach of our successes and a department that really is a very effective bridge between what is often a difficult situation.

OMBUDSMAN BOWEN: Thank you for the compliment. The answer to the question I don't know.

What we do now is compile not specifically ARB success stories but generally business, positive news, and we send those out to the Board. We do have on our -- as we're developed -- we just finished getting all the information on the Ombudsman's website. We do intend to also use that website to mentor other -- here's someone can you link to that had a similar problem that got resolved. We do that some of that on the Cool California website. That is the Cool California winners. We always refer people there and say there is someone in your industry that's successfully doing that.

But we can do and I will put on my agenda to do maybe as part of the stakeholder engagement discussions that we have ask that question of our stakeholders, how would they like to receive success stories like the one from Mr. A or some of the other ones.
BOARD MEMBER BERG: It would also be interesting how we can further engage some other groups, like some of the Chamber of Commerces I know you have been very successful with in a workshop. Something that maybe is a little bit on the idea of being able to pull people together, discuss lessons learned and successes, and talk about maybe future needs in a way that does highlight this department and all of its good work. So anything I can do to help, I'm happy to do that. Really a great job. Thank you.

CHAIRPERSON NICHOLS: That's a great idea though to host some sort of a workshop where we would invite in some of the groups we've been working with and do it in a way that allowed them to participate in helping to focus or activities for the future as well.

Other questions? Comments? Okay. If not, thank you very much. We do have one other person -- we have a witness who signed up to speak on this item, Leonard Robinson, our former Cal/EPA colleague from DTSC.

MR. ROBINSON: Chair Nichols, ARB Board members, and ARB staff, I've had the pleasure of working with you during my role at DTSC. Even life before State service, I'm a Riverside resident. I've worked with Mayor Loveridge before. In my days still I've worked with Board Member Riordan. She actually gave me an award for
something doing right. I just can't remember what it is. It's a little bit different being on this side of the podium, but I'm the Chair of the newly formed California Black Chamber of Commerce Energy and Environment Committee and also leading the Chamber's Green Initiative. The goal of the Initiative is to help the underserved -- California's underserved communities and California's under-utilized businesses to appreciate the opportunity of a green economy.

My purpose here is to two-fold. One, to introduce myself as the official spokesman for the California State Chamber of Commerce on behalf of Aubry Stone, the President and CEO of the California State Chamber. If you don't see Mr. Stone here or me here and somebody states being chair, you have my permission to cut them off at the knees.

And the second purpose is to support the ARB's office of the Ombudsman. I've known La Ronda from her days at South Coast Air Quality Management District and she's been an effective communicator. At DTSC, we worked together on a lot of things with big dreams. We never did anything small. We went after the big things.

And so in my new role as the spokesperson for the California Black Chamber of Commerce and the Energy and Environment Committee Chair, we're looking forward to
working with the Office of the Ombudsman. I've had the
pleasure of having three of you on my radio show. I've
had Chair Nichols on my show, which I think it resulted in
Johnny Kent putting your head on a stake in California.

CHAIRPERSON NICHOLS: It was a mixed blessing,
but it was a lot of fun.

MR. ROBINSON: You were the first non-elected
official to have her head on a stake.

So I've had Executive Officer Goldstein on my
show, and I've had the Ombudsman Bowen on my show as well.
And my audience is up to 75,000 people every month in 20
different countries with a lot of population in
California. We're looking to going forward to doing that.
I'm looking to getting the underserved businesses and
under-utilized communities information on the green
economy. And I look forward to working with everybody
here in my new role. Thank you.

CHAIRPERSON NICHOLS: Thanks for stepping forward
and taking on this assignment. Very helpful to us I'm
sure and helpful to the community as well. So that's just
great.

Okay.

BOARD MEMBER SHERIFFS: I just wanted to
compliment James Goldstein for speaking about customers.
And I think that's a great attitude and what we're about.
EXECUTIVE OFFICER GOLDSTENE: Thank you. I have
to give La Ronda credit for that.

CHAIRPERSON NICHOLS: She's sensitized her
colleagues.

EXECUTIVE OFFICER GOLDSTENE: I'd like to thank
Leonard. He came here this morning almost six hours ago
waiting for his three minutes. Appreciate that.

CHAIRPERSON NICHOLS: Well, thank you.

Okay. We have one more item, and this is one
where we are going to need to take some action. However,
I believe it's a relatively straight forward item because
we are basically pursuing something we already long set in
motion.

So in January, as you know, we approved the
Advanced Clean Cars Program, which combines the control of
criteria pollutants and greenhouse gas emissions into a
single package of requirements from model year 2015
through 2025. And it also included amendments to the
Low-Emission Vehicle, Zero Emission Vehicle, and Clean
Fuels Outlet Regulations.

Today's item is a little bit different than what
we usually consider, but it parallels with something that
we did on the cap and trade regulation as a process where
the Board itself considers approval of the responses to
comments and then adopts the final regulations. So in
most of our regulations, as you know, the Board acts and then gives direction to the Executive Officer to perform necessary basically mechanical or administerial cleanup actions and then send the regulations off to the Office of Administrative Law for final adoption.

In this case, the staff made some modifications on the January package pursuant to our directions and now they're bringing it back to us for final approval.

So James, you want to just give us the details on what we're actually going to be voting on here.

EXECUTIVE OFFICER GOLDSTENE: Sure. Staff will briefly review the modifications to the regulations made at the Board's direction when you consider the advanced clean cars rule in January in Los Angeles. We'll briefly present and recommend that you vote today to approve the response to comments on the environmental analysis, too.

Staff is also recommending that you adopt the final regulations with these modifications.

If you adopt the regulation today, staff will submit the final rulemaking packages to the Office of Administrative Law.

Analisa Bevan, Chief of the Sustainable Transportation Technology Branch will present this item. Analisa.

(Thereupon an overhead presentation was
presented as follows.)

MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF
BEVAN:  Good afternoon, Chairman Nichols and members of
the Board.

Today, we are bringing back the landmark package
of regulations that you adopted in January for your final
approval.  This package of regulations includes the low
emission vehicle regulation, which will achieve further
reductions in criteria pollutants from all passenger cars
and light duty trucks and dramatic reductions in
greenhouse gases.

The zero emission vehicle regulation that will
help commercialize the vehicle technologies needed to meet
our long-term criteria pollutant and greenhouse gas
emission reduction goal targets and to the clean fuels
outlet to ensure we have the fueling stations needed to
support ZEV commercialization.

We bring these back for your approval of the
joint environmental analysis and final approval of the
regulations orders.

The next few slides will provide you with an
update on actions requested by the Board for each of the
regulations adopted in January.  For the LEV program, you
directed staff to look into whether the adoption of the
one milligram standard for particulate matter could be
pulled forward and to monitor the mix of cars and trucks and report back if there was a shift in new vehicles from cars to trucks that might indicate an unintended incentive to make vehicles larger in response to the GHG standards. The framework for both of the efforts is underway at the staff level.

Additionally, we committed to return to the Board to align with the federal GHG program when their rules become final. We remain committed to that plan and anticipate returning to the Board in the fall of this year with the regulatory change.

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MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF

BEVAN: For the ZEV regulation, you directed us to take a couple of actions relative to the GHG over-compliance provision. Namely, to include upstream emissions in the calculation of over-compliance and to monitor the use of the provisions and its impact on ZEV volumes. The upstream emissions will be added in the fall when we align with the federal GHG program and monitoring plan is in development.

We have established the basic forum of the Section 177 State alternative compliance path through our 15-day notice. However, a couple of issues remain to be finalized regarding the treatment of banked credits in
pooling among states and the application of penalties. We will develop consensus solutions with the states and the car companies and will add these amendments in the fall rule making package.

Finally, the Board had a healthy discussion around the treatment of plug-in vehicles and directed staff to study real-world PHEV use and return with results and, if appropriate, an updated approach the treatment of PHEVs in the regulation.

We are beginning the study design for this efforts and are on schedule the report to the Board on the study approach within six months.

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MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF BEVAN: For the CFO, we have issued a 15-day notice with language that incorporates the ability to use a collaborative approach to supporting hydrogen stations through a Memorandum of Agreement. However, negotiations with the oil companies on the MOA have stalled since the January Board hearing. If the situation changes however, the provision for using the MOA is in the final rulemaking.

Next, we were directed to look at ways that we can streamline permitting for hydrogen stations and to monitor the development of the business case for hydrogen
stations. Each of these efforts is underway in corporation with our colleagues at the California Fuel Cell Partnership.

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MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF BEVAN: I'll turn now to the development of our environmental analysis. In accordance with ARB's certified regulatory program under the California Environmental Quality Act, staff prepared a programmatic environmental analysis for the three regulations that comprise the Advanced Clean Cars Program. The environmental analysis, or EA, was included as Appendix B in all three of the Initial Statement of Reasons staff reports.

The EA is a single integrated analysis that evaluates the potential adverse impacts of the implementation of the three regulatory packages. ARB took this approach to provide a comprehensive review because the regulatory amendments were related and the compliance responses by vehicle manufacturers and fuel providers would have a combined effect on the statewide vehicle fleet, the ways light and medium-duty vehicles are sold and leased, and the availability and use of alternatives fuels.

The EA identified recognized measures that exist
to reduce potentially significant impacts primarily from project level construction related activities and analyzed a reasonable range of alternatives that could potentially reduce identified impacts.

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MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF BEVAN: For preparation of the EA, ARB conducted three scoping meetings that were part of the community outreach efforts held in July 2011. An additional scoping session was included at the July 13, 2011, Clean Fuels Outlet Public Workshop.

The purpose of these scoping meetings was to provide the opportunity for agency representatives, stakeholders, and interested parties to bring up subject areas to be addressed in the EA. The EA was released for public review on December 7th, 2011, with a public comment period commencing on December 12, 2011, and ending on January 6th, 2012, as part of the staff reports or ISOR.

The EA was also circulated through the State Clearinghouse and publicly noticed in major newspapers in both northern and Southern California. ARB received 11 written comment letters in addition to oral testimony at the January 26th, 27th Board hearing related to environmental analysis.

On February 22nd, staff posted one 15-day change
notice of modified regulatory text that provided some changes for clarity and modifications directed by the Board at the January hearing. We received one environmental comment from that process. Staff prepared written responses to all comments received on the EA in the document entitled "Responses to Comments on the Advanced Clean Cars Environmental Analysis" that was provided to Board members for their review and posted on ARB's website prior to this hearing.

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MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF BEVAN: Most of the comments we received on the environmental analysis fell into three broad categories: Comments about how we conducted the analysis, suggested additional alternatives to the regulations proposed, and comments about impacts to upstream emissions resulting from specific compliance responses.

As mentioned previously, we provided responses to each of these comments and rationale for not adopting each suggested alternative in the document entitled "Responses to Comments on the Advanced Clean Cars Environmental Analysis."

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MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF BEVAN: So in summary, staff recommends that the Board
take action to: One, approve the written responses to comments received on the environmental analysis; and two, adopt the final regulation orders.

This concludes the staff's presentation.

CHAIRPERSON NICHOLS: Thank you. So most of this is an update on what you did in response to our directions and then the responses to the CEQA comments just coming back to the Board rather than being left to the staff to make sure it's been done at this level.

Do you have any additional comments, Mr. Goldstene?

EXECUTIVE OFFICER GOLDSTENE: No. I just want to make it clear that the resolution encompasses both actions that can be taken today. Just want to be clear.

CHAIRPERSON NICHOLS: All right. We have one witness who signed up for this, Will Barrett from the American Lung Association.

MR. BARRETT: Good afternoon. My name is Will Barrett with the American Lung Association of California. I'll be brief.

We are a strong supporter of the advanced clean cars package and applaud all the work that staff and the Board went to to develop and adopt these rules. We believe the standards are a giant step forward for air quality and public health in California. They're critical
to our emission at the Lung Association for improving lung health and preventing lung disease.

I'd like to acknowledge the work of staff to gather input and respond to comments on the environmental assessment and urge the Board to move forward with the report.

We found that the assessment -- the analysis and the responses to the public comments were thorough and note too they also brought in additional comments from the 15-day changes that had some impact on the environmental issues. That was an additional thorough step they took.

So we were happy to take part in the scoping sessions over the summer last year. That's another just point I make about the thorough job that staff has done here and reason to move forward.

I'd also like to thank the staff. I was interested to see they got about 48,000 calls down in El Monte. I made a few of those over the last few weeks about 15-day changes. And we did submit comments on those and look forward to working with staff over time to just kind of move forward with all of the great benefits that will come with this package as it's implemented.

So just in closing, we do applaud your critical leadership in promoting the cleanest vehicle technologies and pursuing a healthy low-carbon future for our state. I
do urge you to move forward with the environmental
analysis in pursuit of these goals. So thank you very
much.

CHAIRPERSON NICHOLS: Thank you. Appreciate
that.

Any questions or comments from the Board? If not
I would entertain a resolution. Oh, I do. I thought you
were going the make a motion.

BOARD MEMBER SPERLING: Question about the study
design and development for treatment of BEVx and PHEVs. I
should have followed up earlier, but there was a question
about that study design. And the way it was originally
written up as a proposal didn't sound exactly right to me.
Has it been changed in the Resolution language?

CHAIRPERSON NICHOLS: The issue was whether we
had the burden to create a study or whether we were asking
that the companies come to us with information that we
could then use to make a decision. I saw some e-mail
traffic back and forth on that. And I guess the question
is just did you fix it in the final language?

MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF
BEVAN: I don't believe the resolution has been changed,
has it?

STAFF COUNSEL LIVINGSTON: Yeah, not on that
issue.
MOBILE SOURCE CONTROL DIVISION ASSISTANT CHIEF

BEVAN: But our intent is to take a hybrid approach to that, if I could make a pun. And ask the auto makers to give us data but also direct them in terms of making sure that we have data that can be compared from auto maker to auto maker. So the burden will fall to the auto makers to give us information in order to assess how plug-in hybrids should be treated, but we want to help design how we get that data so that it's comparable.

BOARD MEMBER SPERLING: I guess I feel that more responsibility should be on the auto makers because it's not obvious to me that you can prescribe exactly what data you want and you'll be able to standardize it and come up and do the analysis. I think there is a lot of subtleties involved. So can we leave -- can the resolution language be change a little bit or at least interpreted?

CHAIRPERSON NICHOLS: You don't need the Resolution to be changed in order to do this kind of implementation that you're talking about. The language was generic enough. I did look at that. I don't think you've got a problem with re-interpreting or interpreting exactly how you want that study to be done.

So I think it would be a good idea for you the talk with staff more specifically about either what you think they should be getting or what we might not want to
be doing. Either way, I think that would be very helpful. Appreciate it.

Any additional comments? Yes, Sandy.

BOARD MEMBER BERG: I just wanted to make sure that since it wasn't mentioned here but it is in the Resolution about the intermediate volume manufacturers that we are going to follow up to make sure that there were no unintended consequences from moving people into the large. That would be yes. I see all those heads nodding.

CHAIRPERSON NICHOLS: The answer was question. Okay.

Dr. Balmes wishes to move the Resolution.

BOARD MEMBER BALMES: I move we accept the Resolution

BOARD MEMBER SPERLING: Second.

CHAIRPERSON NICHOLS: We have a second from Dr. Sperling. All in favor please say aye.

(Ayes)

CHAIRPERSON NICHOLS: Any opposed? Any abstentions?

Thank you very much. That is completed. And the only other thing we need to do is check and see if there was any general public comment. There
were no requests today for just general comment. So in
that case, I believe we are eligible to adjourn. So thank
you very much.

(Whereupon the Air Resources Board adjourned
at 3:04 p.m.)
CERTIFICATE OF REPORTER

I, TIFFANY C. KRAFT, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing hearing was reported in shorthand by me, Tiffany C. Kraft, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of April, 2012.

__________________________
TIFFANY C. KRAFT, CSR, RPR
Certified Shorthand Reporter
License No. 12277