

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

BYRON SHER AUDITORIUM
SECOND FLOOR
1001 I STREET
SACRAMENTO, CALIFORNIA 95814

THURSDAY, JANUARY 23, 2013
9:08 A.M.

TIFFANY C. KRAFT, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 12277

APPEARANCES

BOARD MEMBERS

Ms. Mary Nichols, Chairperson

Dr. John Balmes

Ms. Sandra Berg

Mr. Hector De La Torre

Mr. John Eisenhut

Supervisor John Gioia

Mayor Judy Mitchell

Mrs. Barbara Riordan

Supervisor Ron Roberts

Supervisor Phil Serna

Dr. Alex Sherriffs

Dr. Daniel Sperling

STAFF

Mr. Richard Corey, Executive Officer

Mr. Alberto Ayala, Deputy Executive Officer

Ms. Edie Chang, Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Ms. La Ronda Bowen, Ombudsman

APPEARANCES (CONTINUED)

STAFF

Ms. Annemarie Bellinder, Air Pollution Specialist, Air Quality and Statistical Studies Section, Air Quality Planning and Science Division

Ms. Karen Buckley, Manager, Sustainable Freight Sector, Stationary Source Division

Ms. Terry Roberts, Southern California Planning Liaison, Sustainable Communities Policy and Planning Section, Air Quality Planning and Science Division

ALSO PRESENT

Mr. Azibuike Akaba, Regional Asthma Management and Prevention

Mr. Don Anair, Union of Concerned Scientists, Cleaner Freight Coalition

Ms. Diane Bailey, Natural Resources Defense Counsel

Mr. Will Barrett, American Lung Association of California

Ms. Autumn Bernstein, Climate Plan

Mr. Michael Coates, Diesel Technology Forum

Mr. Stuart Cohen, TransForm

Ms. Amanda Eaken, NRDC

Mr. Gary Gallegos, SANDAG

Mr. Frank Gallo, Ditching Dirty Diesel Collaborative

Mr. Jamie Hall, CalStart

Mr. Steve Heminger, MTC

Mr. Henry Hogo, South Coast AQMD

APPEARANCES (CONTINUED)

ALSO PRESENT

Ms. Bonnie Holmes-Gen, American Lung Association

Mr. Hasan Ikhrata, SCAG

Mr. Peter Imhof, SBCAG

Mr. James Jack, Coalition for Responsible Transportation

Ms. Terri King, MPOs

Mr. Angelo Logan, East Yard Communities for Environmental Justice

Ms. Catherine Lyons, Bay Area Council

Mr. Bill Magavern, Coalition for Clean Air

Mr. Kirk Markwald, Association of American Railroads

Mr. Adrian Martinez, Earth Justice

Mr. Mike McCoy, Strategic Growth Council

Mr. Mike McKeever, SACOG

Ms. Jerilyn Lopez Mendoza, Southern California Gas Company

Ms. Catherine Phillips, Sierra Club California

Ms. Katelyn Roedner, Environmental Justice Program
Director, Catholic Charities and the Diocese of Stockton

Ms. Peobe Seaton, Leadership Council for Justice and
Accountability

Ms. Kate White, Deputy Secretary, Environmental Policy and
Housing Coordination, California State Transportation
Agency

Mr. Garlynn Woodsong, Calthorpe Associates

Ms. Amy Zympher, Region 9

INDEX

	<u>PAGE</u>
Item 14-1-1	
Chairperson Nichols	3
Motion	4
Vote	5
Item 14-1-2	
Chairperson Nichols	5
Executive Officer Corey	5
Item 14-1-3	
Chairperson Nichols	33
Executive Officer Corey	33
Item 14-1-4	
Chairperson Nichols	63
Executive Officer Corey	64
Staff Presentation	65
Ms. Bernstein	111
Mr. McCoy	113
Mr. Woodsong	116
Mr. Roedner	118
Mr. Barrett	120
Ms. Lyons	122
Ms. Eaken	125
Mr. Magavern	127
Mr. Cohen	129
Ms. Seaton	132
Item 14-1-5	
Chairperson Nichols	152
Executive Officer Corey	153
Staff Presentation	154
Ms. White	167
Mr. Hogo	171
Ms. Zympher	174
Mr. Jack	177
Mr. Magavern	179
Ms. Phillips	181
Mr. Akaba	182
Mr. Logan	183
Mr. Anair	186
Ms. Mendoza	188

INDEX

	<u>PAGE</u>
Item 14-1-5 (continued)	
Mr. Gallo	191
Ms. Bailey	192
Mr. Martinez	194
Ms. Holmes-Gen	197
Mr. Markwald	198
Mr. Hall	200
Mr. Coates	203
Motion	222
Vote	224
Adjournment	224
Reporter's Certificate	225

1 BOARD MEMBER ROBERTS: Here.

2 BOARD CLERK JENSEN: Supervisor Serna?

3 BOARD MEMBER SERNA: Here.

4 BOARD CLERK JENSEN: Dr. Sherriffs?

5 BOARD MEMBER SHERRIFFS: Here.

6 BOARD CLERK JENSEN: Professor Sperling?

7 BOARD MEMBER SPERLING: Here.

8 BOARD CLERK JENSEN: Chairman Nichols?

9 CHAIRPERSON NICHOLS: Here.

10 BOARD CLERK JENSEN: Madam Chairman, we have a
11 quorum.

12 CHAIRPERSON NICHOLS: I would note one change in
13 the roll call is that we used to call her Council Member,
14 I believe. And now she's Mayor Mitchell. So
15 congratulations on your elevation.

16 BOARD MEMBER MITCHELL: It's rotation.

17 CHAIRPERSON NICHOLS: It's a good thing anyway.

18 And I have a couple of announcements to make
19 before we get started. First, a reminder that anyone who
20 would like to testify should fill out a request to speak
21 card. These are available in the lobby right outside the
22 Board meeting room. Please return it to the Board
23 assistant or the clerk, these people down here in the
24 front, if at all possible, prior to the commencement of
25 the item, because otherwise it gets very confusing and

1 difficult for them to juggle speakers while we're also
2 actually trying to run the hearing.

3 We appreciate it if you would remember that we
4 try to impose a three-minute time limit. And you can help
5 us with that by putting your testimony in your own words
6 rather than reading. If you have written testimony, it
7 will be read by us and will be entered into the record.

8 Also for safety reasons, I'm required to remind
9 you that there are emergency exits at the rear of the
10 auditorium as well as to the right and left side of this
11 dais that the Board is sitting on. In the event of a fire
12 alarm, we're required to evacuate the room immediately, go
13 down the stairs, and out of the building until we hear an
14 all-clear signal, at which point we can then come back and
15 resume the hearing.

16 Okay. Now, without further ado, to begin the
17 meeting, we're going to start with the items that are on
18 the consent calendar, of which we have only one, which was
19 to consider the approval of the California Infrastructure
20 State Implementation Plan. This is an element of our
21 required State Implementation Plan under the Clean Air
22 Act.

23 I would like to ask the Clerk if any witnesses
24 have signed up to testify. No, we have none.

25 Are there any Board members who would like to see

1 this item taken off consent?

2 Seeing none.

3 BOARD MEMBER RIORDAN: Move approval, Madam
4 Chair.

5 BOARD MEMBER BALMES: I'll second.

6 CHAIRPERSON NICHOLS: Before we vote on this one,
7 we did receive a comment letter on this item. They didn't
8 ask to testify, and they're not protesting against us
9 handling it in this manner. But we would like to make the
10 Board members aware of the fact that the Sierra Club did
11 file a comment.

12 So Mr. Corey, do you want to just briefly note
13 for people what the issue was that they raised?

14 EXECUTIVE OFFICER COREY: Yes, Chairman.

15 The national -- as a first step in the revision
16 process, each state must document it has the authority and
17 resources necessary for the infrastructure standard. The
18 elements of the proposed infrastructure SIP provisions
19 have been in place for many years.

20 Staff reviewed the comment letter from Sierra
21 Club regarding the development of the infrastructure SIP
22 and our response is the SIP was developed in close
23 consultation with U.S. EPA, and staff, understanding the
24 SIP conforms with EPA guidance as well as Clean Air Act.

25 CHAIRPERSON NICHOLS: So we don't feel that there

1 is any issues?

2 EXECUTIVE OFFICER COREY: We do not.

3 CHAIRPERSON NICHOLS: Okay. Well, in that case,
4 I'm going to close the record. We have a motion and a
5 second. All in favor, please say aye.

6 (Ayes)

7 CHAIRPERSON NICHOLS: Opposed? None. Okay. It
8 carries.

9 Then we move on to Item Number 2, which is an
10 opportunity to hear from our Executive Officer about the
11 Board's program opportunities for 2014. We may be
12 starting off a little quiet this morning, but we have a
13 big year ahead of us.

14 And Richard is going to give us an outline of
15 some of the decisions we're going to be facing this year.

16 (Thereupon an overhead presentation was
17 presented as follows.)

18 EXECUTIVE OFFICER COREY: Thanks, Chairman
19 Nichols and members of the Board. This is my first report
20 and very excited to do it. Pressure is on here.

21 I'm pleased to be able to do this, but I'm going
22 to move to the presentation, the outline.

23 Call up the slides.

24 --o0o--

25 EXECUTIVE OFFICER COREY: What I want to do is

1 start by outlining the goals for 2014. Then I'll briefly
2 review the Board's significant accomplishments in 2013.
3 And next, I'll provide an overview of the key projects
4 that staff expects to bring to the Board for consideration
5 over the course of this year.

6 And then lastly, I want to talk briefly about our
7 clean air partners and some of the opportunities that we
8 see going forward.

9 --o0o--

10 EXECUTIVE OFFICER COREY: Our overarching goal in
11 2014 is continued reduction of air pollution in all
12 communities, as has been our mission. And we continue to
13 make remarkable progress in this area, as you'll hear
14 about in another presentation later this morning.

15 Another important goal is to continue to advance
16 the Board's programs for transportation technologies,
17 fuels, and energy. And as such, this year we'll tackle
18 significant planning efforts for meeting the national
19 ambient air quality standards and transforming
20 California's freight infrastructure to a more sustainable
21 model.

22 --o0o--

23 EXECUTIVE OFFICER COREY: First, let me highlight
24 some of the Board's significant accomplishments last year.
25 It was a busy, but very productive year. One we're very

1 proud of collectively.

2 In 2013, ARB continued to implement the truck and
3 bus rule. And staff has conducted thousands of
4 inspections and the diesel hot line continues to provide
5 one-on-one assistance to help truck owners come into
6 compliance with ARB regulations.

7 This was also a remarkable year for the zero
8 emission vehicle regulation. Eight new plug-in hybrid and
9 battery electric vehicle models were introduced for sale
10 or lease. Approximately 40,000 zero emission vehicles
11 were sold this last year, exceeding our projections by
12 more than 60 percent. This is good news for the ZEV
13 market. It's good news for air quality.

14 Following the lead of California's ZEV action
15 plan, seven states signed onto a multi-state Memorandum of
16 Understanding with California to work together to develop
17 a market for ZEVs. In 2025, the number of ZEVs in the
18 market could exceed three million vehicles in these
19 states.

20 --o0o--

21 EXECUTIVE OFFICER COREY: Working together with
22 the coalition of partners, key incentive programs were
23 re-authorized, with total funds of over \$70 million.
24 These are key programs for improving public health because
25 they provide critical early investments needed to

1 accelerate the transformation of California's off-road
2 engine, car, truck, and bus fleets to the cleanest
3 advanced technologies.

4 --o0o--

5 EXECUTIVE OFFICER COREY: We continue to
6 implement the cap and trade program. We now have four
7 years of robust, verified greenhouse gas emission
8 inventory data, which provides an important technical
9 foundation for this program.

10 ARB, Cal/EPA, and the Department of Finance also
11 led the development of a multi-agency investment plan for
12 auction proceeds generated under the cap and trade
13 program. The finalized plan identified priority programs
14 that could advance greenhouse gas reductions in sectors
15 with the greatest emissions, transportation, energy,
16 waste, and natural resources.

17 ARB also held four successful allowance auctions
18 in 2013, raising more than \$500 million dollars for the
19 Greenhouse Gas Reduction Fund.

20 Also in 2013, the Board adopted a regulation to
21 link our Cap and Trade Program with the program in Quebec
22 creating an important international partnership.

23 --o0o--

24 EXECUTIVE OFFICER COREY: Protecting public
25 health by improving air quality is ARB's core mission.

1 Last year, working with local air districts, the Board
2 adopted attainment plans for federal PM2.5 and ozone
3 standards for the South Coast Air Quality Management
4 District and San Joaquin Valley. The plans demonstrated
5 how ARB and local air pollution control programs will
6 enable these areas to meet the federal air quality
7 standards by their appropriate deadlines. San Diego, the
8 Bay Area, and other areas in the state attained federal
9 air quality standards in 2013. And ARB staff provided the
10 technical analysis for the attainment findings.

11 --o0o--

12 EXECUTIVE OFFICER COREY: Now let me preview some
13 of the major initiatives we'll be working on this year.
14 As the Chairman noted, it will be a busy year.

15 First, mobile source programs. As part of our
16 ongoing implementation of the truck and bus program, we'll
17 bring you program amendments this year that allow for
18 additional flexibility and compliance, while preserving
19 the rule's benefits.

20 Staff are working on these changes and expect to
21 bring you a proposal in April. We're also partnering with
22 transit agencies to amend the zero emission bus and
23 transit fleet regulations to achieve near-term criteria
24 pollutant emission reductions while continuing to advance
25 zero tailpipe emission technologies from the heavy-duty

1 sector.

2 As a follow up to our alignment with the
3 heavy-duty GHG Phase I Program, which this Board approved
4 last month, a major effort is currently underway to
5 develop Phase 2 of the program. We are full partners with
6 EPA and the National Highway Transportation Safety
7 Administration going forward and expect the program to
8 yield significant GHG reduction benefits.

9 As part of that effort, staff will push for
10 inclusion of lower nationwide NOx standards as a key
11 strategy for attaining federal air quality standards. A
12 related effort is the development of a staff assessment of
13 advanced technologies that will help guide our discussions
14 with EPA and NHTSA on Phase 2 and in form planning
15 initiatives for freight and the SIP.

16 --o0o--

17 EXECUTIVE OFFICER COREY: This fall, the Board
18 will hear amendments to the low emission vehicle
19 regulations, or LEV II. These amendments will align
20 California's program with the federal Tier 3 standard,
21 provide updated test procedures for plug-in hybrid
22 vehicles, and provide a smoother transition for
23 intermediate volume manufacturers transitioning to a large
24 volume manufacturer status.

25 Also, multiple research contracts had begun,

1 which will help inform inputs into the advanced clean cars
2 mid-term review. These contracts include projects
3 addressing plug-in electric vehicle driver behavior,
4 consumer attitudes toward ZEV technologies, and other
5 issues. Along with research, staff will continue our
6 ongoing collaboration with EPA and NHTSA through 2014.

7 --oOo--

8 EXECUTIVE OFFICER COREY: The incentive programs
9 administered by ARB and the air districts have been a
10 tremendous success and are a critical element of our
11 overall program.

12 Collaboration among the air agencies adds to the
13 strength of these programs, and we are working closely
14 with CAPCOA to ensure that the incentive programs are
15 complementary and they contribute to both near and longer
16 term air quality and climate goals.

17 This year, we will revise the Enhanced Fleet
18 Modernization Program, which helps consumers replace high
19 polluting cars and cleaner vehicles and the air quality
20 improvement program, which provides consumers rebates for
21 purchases of advanced technology vehicles and funds hybrid
22 and electric trucks.

23 Goods Movement Emission Reduction Program is a
24 one billion dollar funded incentive program that focuses
25 on reducing emissions from goods movement and freight

1 transport operations throughout the state. To date, ARB
2 has received almost 590 million, with the majority of
3 those funds going towards upgrading almost 10,000 diesel
4 trucks in California. Over the next year, the program is
5 focused on distributing an additional 150 million to
6 fleets for cleaner trucks.

7 Finally, the Governor's proposed State budget
8 allocates 200 million to support low carbon transportation
9 efforts. This funding will support existing programs and
10 provide incentives for pre-commercial demonstration of
11 advanced freight technology to move cargo in California,
12 benefiting communities near freight hubs.

13 --o0o--

14 EXECUTIVE OFFICER COREY: We're also continuing
15 to successfully implement the low carbon fuel standard.
16 Regulated parties as a whole are over-complying with the
17 regulation, generating credits that can be used for future
18 compliance. The program is sending a signal that is
19 attracting cleaner low carbon fuels.

20 We've also continued to successfully respond to
21 legal challenges. Later this year, we will be returning
22 to the Board to consider amendments to the low carbon fuel
23 standard, as well as correct procedural and CEQA
24 requirements per direction from the State court. During
25 this period, we will continue to implement the low carbon

1 fuel standard.

2 --o0o--

3 EXECUTIVE OFFICER COREY: Last year's revisions
4 to the evaporative emissions standard for off-highway
5 recreational vehicles included an exemption for red
6 sticker vehicles. Staff are currently working with
7 stakeholders to assess these vehicles and develop a
8 solution for controlling their emissions. We will update
9 the Board on this effort later this fall.

10 In late 2014, staff will propose improvements to
11 the Gasoline Vapor Recovery Program. These revisions aim
12 to improve the cost effectiveness of above-ground storage
13 tank regulation, while preserving air quality benefits,
14 reduce unnecessary over pressure alarms, and propose new
15 standards for a next generation of in-station diagnostic
16 systems.

17 --o0o--

18 EXECUTIVE OFFICER COREY: Later this morning,
19 staff will provide an update on our agency-wide efforts to
20 move California towards a sustainable freight system.
21 California's environmental and health objectives can only
22 be achieved in the context of system wide change that
23 effectively engages stakeholders across the entire freight
24 system.

25 As part of this effort, we are looking towards a

1 sustainable freight system that is at zero or near zero
2 emissions and supports our critical energy security,
3 economic competitiveness, community health, and freight
4 mobility priorities. To do this, stakeholder engagement
5 will be key.

6 Staff are also working this year to prepare for
7 future revisions to the State Implementation Plans for the
8 revised federal ozone and particulate matter standards.
9 This year, staff are preparing inventories, beginning work
10 on photochemical modeling, and other technical analyses
11 that form the scientific foundation of the plans.

12 Staff are also coordinating with local air
13 districts to develop control strategies that enable all
14 California areas to meet the more stringent federal
15 standards.

16 --o0o--

17 EXECUTIVE OFFICER COREY: Continued
18 implementation of the AB 32 is another priority for ARB
19 this year.

20 --o0o--

21 EXECUTIVE OFFICER COREY: Last year, ARB and
22 other State agencies began work on an update to the
23 Scoping Plan. ARB reconvened the Environmental Justice
24 Advisory Committee, which met twice, to discuss the
25 Scoping Plan. A third meeting is planned for February.

1 Staff released a draft in October last year and
2 presented this draft to you at the October Board meeting.
3 Staff is revising the update in response to comments and
4 plans to release a proposed update at the end of this
5 month.

6 The proposed update will include more specific
7 actions and clear policy statements to aid in state and
8 local planning efforts as we continue to implement
9 California's climate program. At the February Board
10 meeting, we'll present the proposed update for discussion
11 and bring the proposal to the Board later this spring for
12 you to consider final adoption.

13 --o0o--

14 EXECUTIVE OFFICER COREY: Last October, the Board
15 heard a set of amendments to the cap and trade regulation.
16 Staff will bring these amendments back in April for final
17 approval. The amendments provide more transition
18 assistance for covered sectors, enhance market oversight,
19 and add a new offset protocol for fugitive mine methane
20 capture.

21 Industry continues to report greenhouse gas data
22 to the ARB. With this year, ARB will have five years of
23 data. Although we do not believe the cap and trade
24 program will result in local emission impacts or forestry
25 impacts, the adaptive management program was put in place

1 by ARB to establish a monitoring mechanism and a plan for
2 action, should impacts be observed.

3 Last year, the Board approved a specific change
4 to the mandatory reporting regulation to require
5 additional reporting to help ARB identify facility changes
6 that may be attributable to cap and trade.

7 We're also continuing to work with local air
8 districts to identify potentially significant permit
9 changes at covered facilities and will work with
10 stakeholders so that both facilities and communities have
11 a voice in how the adaptive management programs is
12 implemented. We will be reporting back to the Board later
13 this year on the status of these efforts.

14 Staff continues to work on the development of
15 offsets with plans to bring an offset protocol for
16 reductions in methane from rice cultivation to the Board
17 this spring. 2013 is the first year that facilities that
18 were subject to cap and trade regulation, that is the
19 first year -- and the first surrender of emissions will
20 occur in November of this year when facilities must vendor
21 allowances and offsets to cover 30 percent of their 2013
22 emissions. We're also continuing to work with our
23 partners at the air districts, industry, and community
24 stakeholders and scientific experts as we implement and
25 refine the program.

--o0o--

1
2 EXECUTIVE OFFICER COREY: Controlling short-lived
3 climate pollutants is an important element of California's
4 Climate Change Mitigation Plan, as their control results
5 in immediate health and climate benefits regionally due to
6 their short lifetime.

7 Ongoing implementation of existing ARB
8 regulations, such as the truck and budget rule, along with
9 other rules that reduce diesel PM, provide significant
10 reductions in short-lived climate pollutants, like black
11 carbon. ARB is expanding its efforts to understand and
12 develop cost effective measures for reducing hydrocarbon
13 and methane emission and will be hosting two symposia in
14 2014 on these subjects with participation from
15 stakeholders, industry, and scientific experts.

16 ARB has also developed a greenhouse gas research
17 monitoring network with monitors throughout the state.
18 Staff is actively participating in the mega cities carbon
19 project, which plans to develop and test methods for
20 monitoring GHG emissions from mega cities, with the
21 ultimate goal of creating a global urban monitoring
22 network. Together, these efforts play an integral part in
23 the evaluation of regional and statewide inventories to
24 support AB 32 implementation.

25 --o0o--

1 EXECUTIVE OFFICER COREY: SB 375 requires the
2 Board to regularly update the regional greenhouse gas
3 targets for the region. Later this morning, you will
4 receive a briefing on the status of the program and some
5 of the accomplishments to date. As requested by the Board
6 in 2010, staff will be bringing a target review item to
7 you for discussion in the fall.

8 The eight MPOs in the San Joaquin Valley are
9 faced with significant technical challenges as they
10 develop their first sustainable communities strategies.
11 ARB will continue to provide technical assistance to these
12 MPOs as they work to develop the data and modeling tools
13 necessary to forecast the greenhouse gas benefits of the
14 land use and transportation strategies in their SCSs.

15 Research is being conducted in collaboration with
16 the MPOs to support implementation of their sustainable
17 communities strategies. For example, we are working to
18 characterize and evaluate the potential for displacement
19 as a result of transit-oriented development and to
20 evaluate policy solutions. We're also working to quantify
21 many of the co-benefits from sustainable planning,
22 including GHG, health, and economic benefits.

23 --o0o--

24 EXECUTIVE OFFICER COREY: Staff intends to bring
25 a measure to the Board in late 2014 to reduce vented and

1 fugitive GHG emissions from oil and gas production,
2 processing, and storage operations, including methane
3 emissions from storage tanks, well stimulation, compressor
4 seals, pneumatic devices, and leaking components. We plan
5 to work closely with the local air districts and with the
6 State Division of Oil, Gas, and Geothermal Resources and
7 other State agencies as we develop this regulation and
8 integrate it with SB 4 implementation efforts, the
9 fracking bill.

10 ARB is working with EPA staff as they work on how
11 to achieve carbon reductions from power plants under
12 Section 111(d) of the Federal Clean Air Act. We are also
13 encouraging EPA to build upon existing State programs
14 while balancing State policy making autonomy, with the
15 need for federal accountability.

16 We also need to ensure that California gets
17 credit for our programs, especially our efficiency
18 programs and system-wide level efforts, such as cap and
19 trade.

20 --oOo--

21 EXECUTIVE OFFICER COREY: A major objective for
22 this year is to lay the foundation for the relocation of
23 the motor vehicle emissions testing laboratory and staff
24 operations that we have in El Monte. The current facility
25 is over 40 years old and is in need of significant

1 upgrade. Our objective is to build a facility that
2 supports into the future to quality and importance of the
3 work that the Air Resources Board performs and will need
4 to going forward.

5 As part of this effort, we are pursuing
6 partnerships with academia. We believe such an approach
7 can enhance the emissions testing operations and also
8 provide opportunities for collaboration in other important
9 areas. These partnerships should be an extension of our
10 comprehensive academic research program.

11 The Governor has laid out aggressive goals and
12 requirements for the construction of new buildings.
13 Consequently and consistent with AB 32 Scoping Plan
14 objectives, we'll be seeking to establish sustainability
15 goals for this facility, which include seeking LEED
16 certification, pursuing energy independence, and meeting
17 or exceeding California's goals for green buildings,
18 including indoor air quality.

19 --o0o--

20 EXECUTIVE OFFICER COREY: We'll continue to work
21 closely with our partners at CAPCOA this year as we refine
22 the various incentive programs and identify local and
23 regional initiatives and priorities for the Scoping Plan
24 update and continue to coordinate with CAPCOA on rule
25 implementation, air quality planning and monitoring,

1 research, and climate change activities.

2 --o0o--

3 EXECUTIVE OFFICER COREY: The Scoping Plan update
4 has given us the opportunity to work jointly with many of
5 our State partners, including the Governor's Office of
6 Planning and Research, California Energy Commission, and
7 others. We're also working closely with the California
8 Department of Transportation on the Sustainable Freight
9 Strategy, which will help complement Caltrans' work on the
10 California Transportation Plan for 2040.

11 On the federal level, we are working with EPA,
12 the Department of the Interior, and the Department of
13 Transportation to support federal climate initiatives. As
14 I mentioned, we are also collaborating with NHTSA and EPA
15 on several important mobile source initiatives.

16 --o0o--

17 EXECUTIVE OFFICER COREY: ARB has a long history
18 in world wide efforts to reduce air pollution, providing
19 technological guidance and policy experience to foreign
20 governments, non-governmental associations, and industry
21 groups. With the advent of the climate change program,
22 ARB has even more opportunities to share our experiences.
23 ARB hosted 48 foreign delegations at its Sacramento and El
24 Monte offices in 2013, with interests ranging from zero
25 emission vehicles to ports, to cap and trade, to air

1 monitoring, to emission inventory methods.

2 In addition, ARB, in collaboration with Cal/EPA
3 and the Governor's office, has been and will continue to
4 work closely on specific projects, including the linkage
5 of the California Cap and Trade Program with that of
6 Province of Quebec, hosting of staff from Beijing
7 Environmental Production Bureau to obtain a crash course
8 in ARB's Light-Duty Emission Control Program, and the
9 collaboration with India on reduction of black carbon and
10 other short-lived climate pollutants through technical
11 exchanges and capacity building.

12 As part of the Governor's initiative to further
13 coordinate with China, ARB is working with Chinese
14 Provinces as they launch cap and trade pilot projects with
15 an eye towards the launch of the nationwide cap and trade
16 program in China.

17 Our international coordination efforts will
18 continue in 2014, although increased focus along with
19 increased focus on collaboration with Mexico on climate
20 change programs and international forestry activities.

21 --o0o--

22 EXECUTIVE OFFICER COREY: As you can see, much to
23 be proud of for 2013. But some real challenges ahead.
24 With that, I conclude my presentation and am available for
25 questions.

1 CHAIRPERSON NICHOLS: Thank you, Mr. Corey.

2 I think it's important to note what you've shown
3 us is really the tip of the iceberg in terms of what will
4 be coming to the Board. And underneath that is a huge
5 amount of work, not just to prepare items to bring to the
6 Board, but also building the infrastructure for air and
7 climate work in the state.

8 And I'm particularly proud of the relationships
9 that ARB has been building over the last few years with
10 other agencies within the state, the role that we play.
11 Undoubtedly, AB 32 was a huge help in that regard,
12 creation of the Climate Action Team and so forth.

13 But having watched the Air Resources Board
14 personally over quite a number of years now, we've really
15 gone from being a single focus agency that was in some
16 respects an outlier, a gad fly, if you will, to being an
17 integral part of State action. And that's really
18 gratifying to see.

19 I know there is a lot of material here. I do
20 want to give Board members an opportunity if there is
21 anything in particular that people would like to ask about
22 at this time. If not, obviously I know the Board members
23 are not shy about contacting staff in between to follow up
24 on any particular items of interest.

25 And while I'm spreading praise around here, I

1 really want to say this Board has been exceptionally
2 active also in terms of the members' willingness and
3 contribution to helping spread the work of the Board, both
4 in giving guidance and involvement in specific areas of
5 interest to them, but also in outreach to the communities
6 in various different ways, both geographically and across
7 different sectors of our economy that people have contact
8 with.

9 And I think it's a great example of a system that
10 really doesn't exist anywhere else that I know of in
11 California or the world where you have a group of
12 political appointees representing so many different walks
13 of life who have the overall policy authority over the
14 agency, but at the same time, that kind of collaborative
15 relationship with the technical staff. So that's enough
16 for the moment.

17 I see a hand here.

18 BOARD MEMBER GIOIA: First, lots of good work and
19 lots of good work that still needs to occur.

20 I wanted to -- two comments. One on slide 13,
21 you point out as one of the incentives in the Governor's
22 proposed budget, there is the identification -- and I had
23 seen it -- of the 200 million for low carbon
24 transportation. I'm wondering if it may make sense
25 because as this goes through the process -- and obviously

1 we don't know what the final product of the budget will
2 be -- is that we may want to inform the Legislature about
3 the types of programs and the process we followed under
4 this strategy. Because I think there may be a perception
5 that the organization's more bureaucratic than it actually
6 is, because the Legislature is ultimately going to be
7 evaluating this. And there will be some in the
8 Legislature that want a different approach to this.

9 So may be to be helpful for us, having some
10 briefing or some preparation of materials to identify how
11 we've approached this issue and how we would think about
12 this going forward in order to provide some assurance that
13 we have a good process in place. Because this isn't yet a
14 done deal; right? This money could get allocated
15 differently for this strategy, for another strategy. But
16 if we want to preserve the opportunity for this strategy,
17 we should be proactive in educating the Legislature during
18 the budget process on this issue.

19 CHAIRPERSON NICHOLS: It sounds like what you're
20 calling for would be maybe a document as well as an
21 opportunity to do a briefing so we could --

22 BOARD MEMBER GIOIA: Right. Because I've already
23 heard discussion about potential other approaches for this
24 type of -- for this. So I'm trying to be proactive on
25 that.

1 The other thing that strikes me as you went
2 through, Richard, the presentation, what's really great,
3 all of these involved partners with other agencies and
4 stakeholders. I think that's what makes this work
5 effective is the reach of partnerships that the Air Board
6 has been able to assemble in order to achieve the
7 objectives. So I just want to note that.

8 EXECUTIVE OFFICER COREY: Thanks, Supervisor.

9 And the document that Chairman Nichols mentioned
10 that can facilitate those discussions, we will pull that
11 together. And that's a great idea.

12 Your point about partnerships, just to
13 underscore, that I know from the agency and the leadership
14 ship of the Board, recognizes that to be effective moving
15 forward the challenges are greater than they've been
16 historically. Historically had a foundational
17 partnerships, but it's even that much more important and
18 something that I and our team are just placing great
19 emphasis on. So thank you.

20 CHAIRPERSON NICHOLS: Professor Sperling.

21 BOARD MEMBER SPERLING: I want to highlight some
22 of the things that Richard Corey was talking about and
23 Chairman Nichols, is that it's really extraordinary what
24 we've done over the past five or six years in terms of
25 climate policy.

1 From scratch, we've created a whole framework of
2 policies that really link together in a very sensible,
3 effective way, unlike anywhere in the world. And you
4 know, with cap and trade, vehicle standards, ZEV, LCFS,
5 375, I mean, this is really extraordinary. And we've now
6 survived all the legal challenges, thanks to our great
7 legal staff, and others. So we're now at the point where
8 it really is a solid -- most of the program -- all of the
9 programs are actually making very good progress. You
10 know, there's not been any major -- I mean, it's really
11 remarkable. There's not been a major problem with any of
12 those programs in terms of their implementation. Yeah,
13 you know, there's lots of challenges and a lot of the
14 details. But we've got it all in place.

15 So now kind of to take your looking forward
16 perspective, Richard, is partly there's all the details we
17 need to work out. Partly, it's somehow continuing to
18 stipulate the innovation however that happens through
19 incentives and other mechanism. But we're now in the
20 point starting to look past 2020. And that's kind of --
21 over the next few years, that's really going to be a big
22 challenge for us in figuring out, you know, what do we do
23 for Part II.

24 And it's so important because the rest of the
25 world is watching and imitating. And so we really have

1 played a huge role. At the same time, we have the air
2 quality the criteria pollutants and the NOx especially.
3 And that's really also raising us to another level of
4 challenges. And we're going to talk about that later
5 today, especially with the freight.

6 So we're really poised. And it really is as
7 Chairman Nichols said, the partnerships have been
8 important, but I think they're going to be especially
9 important in the future. So we've started. I mean, I
10 would say we've started building those partnerships in a
11 way we never had to before. But now in the future,
12 they're just critically important. They're just
13 overwhelming important because most of these are not going
14 to succeed unless those partnerships are strong. So kudos
15 you know, to the agency, to the staff, to the Board. And
16 it's pretty exciting. But I also agree there's a lot of
17 huge challenges still awaiting us.

18 CHAIRPERSON NICHOLS: Okay. Dr. Balmes.

19 BOARD MEMBER BALMES: Again, thank you, Richard,
20 for that overview. And it is an ambitious agenda, and we
21 have to look forward to the longer-term, as Professor
22 Sperling mentioned.

23 I was pleased to see that you highlighted the
24 Adaptive Management Plan. I think you know that's
25 something that's very important to me. And I think it's

1 sort of been on the back-burner as we tried to get cap and
2 trade up and running, or at least it's been on the back
3 burner in terms of visibility. So I'm really glad to see
4 that we're going to work hard this year o try to implement
5 that. Because I think it's key to maintaining support of
6 disadvantaged communities for the Cap and Trade Program.
7 And key to getting the public health co-benefits that we
8 can out of our AB 32 efforts.

9 CHAIRPERSON NICHOLS: Thank you.

10 Any additional comments? Yes.

11 BOARD MEMBER ROBERTS: From a different
12 perspective maybe something that was driven home recently,
13 a lot of the progress has been made with a sensitivity to
14 what are the economic impacts of what's going on.

15 It was just revealed the city of San Diego is
16 going to have to paid \$250 million a year over the next
17 ten years for the water regulations that have been imposed
18 and mandated. But I think that what a lot of the strength
19 has come out of that we've done very extensive economic
20 analysis and understood the implications of a lot of
21 things prior to enacting them and have been willing to
22 adjust when those problems occur. I think there is a lot
23 of strength on that. Keep your eye on the goals. Figure
24 out how to get there in a way that doesn't destroy people
25 and businesses in the California economy.

1 CHAIRPERSON NICHOLS: Yeah. I'm consistently
2 reminded by my boss, the Governor, if I wasn't aware of it
3 myself, that we operate in a real world of politics and
4 practicality. And everything we do has to be both
5 ambitious and also doable. Those two things that have to
6 be reconciled with each other, which isn't always easy.

7 This morning before I came down here, I was
8 quickly flipping through my mail and I saw a letter from
9 an individual. I always read those, you know, the
10 handwritten notes that you get. An older gentleman from
11 Oregon who had been visiting his sister in the far
12 northern rural part of our state and was trying to help
13 her refill her gas tank in her lawn mower and judged that
14 our regulations relating to fuel canisters are completely
15 unworkable and impossible and that we were going to be
16 responsible for blowing up the entire northern part of the
17 state, if we didn't do something bit.

18 And I thought to myself we go from huge issues,
19 you know, the fate of the planet and the electricity
20 system in 2030 to dealing with somebody who's having a
21 hard time getting gasoline into their mower. And you just
22 think, you know, you've got to do both of those things
23 right at the same time. So it's a challenge.

24 BOARD MEMBER BALMES: I just wanted to endorse
25 what my college Supervisor Roberts said. Even though I

1 take seriously my role as a public health advocate, I also
2 think one of the strengths of our agency is that we do
3 consider the economic implications of our regulations, and
4 maybe not as much as some people would like. But I do
5 think we try to balance the public health imperatives with
6 economic realities as much as we can. And I applaud that.

7 CHAIRPERSON NICHOLS: Okay. Well, we have more
8 to discuss. Oh, one more hand. Sorry.

9 BOARD MEMBER MITCHELL: I just wanted to add one
10 thing to Dr. Sperling's comments. The success of the
11 programs that have been implemented over the last five
12 years is in part due to the willingness of our staff and
13 our Board to review and monitor those programs and, where
14 necessary, to amend them to fit the goal that we're trying
15 to reach. So I can see the work that's been done over the
16 last five years has been remarkable and in part because of
17 our willingness to collaborate and come in and prosper and
18 change. That's all I wanted to say.

19 CHAIRPERSON NICHOLS: Mr. Serna, your hand up
20 also.

21 BOARD MEMBER SERNA: I did. Thank you, Chairman
22 Nichols.

23 I, too, want to extend my sincerest thanks to
24 staff for all the hard work this last year. Certainly
25 this PowerPoint presentation can still be continuing in my

1 estimation based on the workload that staff has.

2 But I want to underscore what the Chair mentioned
3 during her opening remarks about members of this Board,
4 some of whom are from local government, going out in our
5 respective contingencies to help broadcast what this
6 agency does to benefit their health and certainly benefit
7 this globe.

8 And one of the things I'd like to see perhaps
9 next year is a header slide that mentions outreach in
10 general. I think there is a lot of great work that this
11 agency does to go out in those communities to join us
12 occasionally as Board members to maybe soften a message
13 that if otherwise folks are left to devices of media
14 without our direct contact may misunderstand some of the
15 good work that goes on here.

16 So I think to the extent that that is something I
17 think we can all be proud of, I think it needs to be
18 mentioned with equal credence relative to the presentation
19 that you give.

20 EXECUTIVE OFFICER COREY: Happy to do that.

21 CHAIRPERSON NICHOLS: Among our highlights, it
22 was really in 2014, we got one of our new Board members
23 confirmed on a five-zero vote. So it's all good.
24 Compliments to Supervisor Serna. We're very happy about
25 that.

1 All right. Let's move on then to the next
2 report. This is a day for updating where we are.

3 The next item relates to our progress on our core
4 mission of air quality improvement. And it's an
5 informational item only. No action needs to be taken.
6 But I think it's important to kind of frame this issue as
7 we move forward on all these other sort of specific items
8 that we're going to be talking about as the year goes on.

9 So again, Mr. Corey, you want to introduce this
10 one?

11 EXECUTIVE OFFICER COREY: Yes, thank you,
12 Chairman Nichols.

13 Over the next few months, staff will be
14 presenting to the Board a series of briefings on air
15 quality progress and the science and planning processes
16 for meeting air quality standards.

17 In today's presentation, you'll hear about air
18 quality progress throughout California and ARB's actions
19 that have lead to these improvements. Next month, staff
20 will describe ozone and particulate matter chemistry and
21 the science driving air quality behavior. The last item
22 in this series will brief you on the planning processes
23 behind the Federal Clean Air Act framework.

24 From today's presentation, you'll see that ozone
25 and particulate matter air quality have improved

1 significantly. But even as air quality has improved, new
2 health science has led to lower more health protective
3 standards. These standards require new SIPs. One of the
4 first steps in developing a new SIP is assessing past
5 progress to understand what actions will be necessary
6 going forward.

7 At this time, I'd like to ask Annemarie Bellinder
8 to begin the staff presentation.

9 (Thereupon an overhead presentation was
10 presented as follows.)

11 AIR POLLUTION SPECIALIST BELLINDER: Thank you,
12 Mr. Corey. And good morning, Chairman Nichols and members
13 of the Board.

14 Our presentation this morning will highlight the
15 progress achieved in reducing ozone and PM2.5
16 concentrations throughout the state, as well as discuss
17 the remaining challenges. Our focus today is on federal
18 air quality standards. California has also set State air
19 quality standards and the actions we take to meet the
20 federal standards will help us meet the state standards as
21 well.

22 --o0o--

23 AIR POLLUTION SPECIALIST BELLINDER: First, we
24 will review the federal standards for ozone and PM2.5,
25 along with status with respect to attainment of these

1 standards. Because attainment is determined on a regional
2 level, we'll be reporting on progress in that context.

3 Second, we will discuss recent high levels of
4 PM2.5, where they happened, and why.

5 And third, we will report on significant regional
6 progress in lowering the levels of ozone and PM2.5 in five
7 urban areas of the state.

8 --o0o--

9 AIR POLLUTION SPECIALIST BELLINDER: Our first
10 topic is air quality standards.

11 --o0o--

12 AIR POLLUTION SPECIALIST BELLINDER: The Clean
13 Air Act requires U.S. EPA to establish air quality
14 standards and to review each standard every five years.

15 Air quality standards are based on scientific
16 understanding of how air pollution effects human health.
17 Over the years, new studies have advanced our
18 understanding of these health impacts and shown they are
19 occurring at lower levels of exposure. As a result, U.S.
20 EPA has adopted air quality standards that are
21 increasingly protective of public health.

22 PM2.5 and ozone are reasonable for the majority
23 of health impacts of air pollution in California. Health
24 impacts for ozone include respiratory effects like asthma
25 exacerbation, reduced lung function, and hospitalization.

1 Exposure to PM2.5 has been linked to hospitalization for
2 cardiovascular diseases, as well as premature mortality.
3 A number of studies have also demonstrated an increased
4 cancer risk to diesel PM exposure.

5 --o0o--

6 AIR POLLUTION SPECIALIST BELLINDER: Determining
7 whether an area attains a standard must consider a number
8 of factors and calculations. The federal standards are
9 designed to allow for a limited number of concentrations
10 above the level of the standard. This means it is
11 possible that a region may have several exceedances, while
12 still remaining in compliance with a standard.

13 Compliance is based on the calculated values,
14 known as the design values, which are derived from peak
15 concentrations within a region. Design values are based
16 on multiple high values and multiple years of data to
17 reduce variability.

18 The federal 8-hour ozone standard uses the fourth
19 highest value each year and averages those values over a
20 three-year period. The federal 24-hour PM2.5 standard
21 generally uses the third to eighth highest value each year
22 and also averages those values over three years.

23 Attainment is determined at the regional level.
24 When the design values at all sites within a region are at
25 or below the level of the standard, the region will

1 qualify for attainment status.

2 --o0o--

3 AIR POLLUTION SPECIALIST BELLINDER: California's
4 comprehensive monitoring network provides the core
5 information needed to assess air quality. On the map
6 before you, the air monitoring network is represented by
7 the dots.

8 The network is designed to assess statewide,
9 regional, and local air quality, as well as to provide the
10 data needed to determine regional status with respect to
11 air quality standards. As such, the data undergo rigorous
12 procedures to ensure that the regulatory data are of the
13 highest quality.

14 Each monitoring might may have multiple
15 instruments so a variety of pollutants can be measured.
16 Several agencies, such as the ARB, local districts,
17 federal agencies, and tribal governments currently operate
18 more than 250 sites in the statewide network.

19 --o0o--

20 AIR POLLUTION SPECIALIST BELLINDER: As discussed
21 previously, federal air quality standards have become more
22 health protective over time. This slide illustrates the
23 progression of ozone standards adopted by U.S. EPA. Even
24 though newer standards are more health protective, they do
25 not replace the older standards completely. Regions are

1 still accountable to fulfill commitments to attain earlier
2 standards. However, the work done to attain less
3 protective standards takes a region forward along the path
4 toward attaining the next more protective standard.

5 U.S. EPA first adopted a one-hour ozone standard
6 in 1979. When health studies found that longer ozone
7 exposure at lower concentrations produced greater health
8 impacts, they set an 8-hour ozone standard of 0.08 parts
9 per million in 1997. More recent health science
10 demonstrated that impacts occurred at even lower ozone
11 levels and U.S. EPA adopted the more health protective
12 8-hour ozone standard of 0.075 parts per million.

13 --o0o--

14 AIR POLLUTION SPECIALIST BELLINDER: A similar
15 progression towards more health protective standards have
16 also occurred for PM2.5. PM2.5 has been found to have
17 both long-term chronic and short-term acute health
18 effects. As a result, U.S. EPA first adopted both annual
19 and daily average standards for PM2.5 in 1997. The
20 24-hour average standard addresses the acute health
21 effects, while the annual average addresses the chronic
22 effects. After reviewing the standards, U.S. EPA lowered
23 the 24-hour average standard in 2006 to 35 micrograms per
24 meter cubed. And the annual average standard in 2012 to
25 12 micrograms per meter cubed.

1 --o0o--

2 AIR POLLUTION SPECIALIST BELLINDER: Due to
3 control strategies implemented by ARB and local and
4 federal agencies, significant air quality progress with
5 respect to ozone has occurred. All areas of the state,
6 with the exception of the South Coast and San Joaquin
7 Valley, now meet the federal one-hour ozone standard. And
8 the San Joaquin Valley is very close to attainment with
9 only one site recording levels above the standard in 2013.
10 For the 0.08 parts per million 8-hour ozone standard, 10
11 of 15 areas originally designated non-attainment,
12 including San Diego, Ventura, and the Bay Area, now
13 attain.

14 The Bay Area has also met the more health
15 protective 0.075 parts per million 8-hour ozone standard
16 and several other regions are at or near attainment.

17 --o0o--

18 AIR POLLUTION SPECIALIST BELLINDER: Federal
19 PM2.5 standards have also been met in significant portions
20 of the state. All areas now attain the 24-hour standard
21 of 65 micrograms per meter cubed. The Sacramento
22 metropolitan area, Bay Area, Butte County and the Yuba and
23 Sutter Counties all meet the more health-protective
24 24-hour standard of 35 micrograms per meter cubed and the
25 annual standard of 12 micrograms per meter cubed.

1 The greatest challenges remain in the South Coast
2 and the San Joaquin Valley, as well as Imperial County,
3 which experiences unique impacts due to cross boarder
4 transport.

5 --o0o--

6 AIR POLLUTION SPECIALIST BELLINDER: Although
7 state and local emission control programs have resulted in
8 significant air quality progress, adverse weather can
9 create conditions very conducive to high levels of PM2.5.
10 Such conditions have been occurring in California over the
11 last two months.

12 --o0o--

13 AIR POLLUTION SPECIALIST BELLINDER: This winter,
14 the state has been experiencing widespread elevated PM2.5
15 levels. These higher PM2.5 concentrations have resulted
16 in a large number of air advisories and alerts, especially
17 in Northern California. The San Joaquin Valley has been
18 experiencing the greatest and most persistent impact, with
19 some 24 hour average values surpassing 100 micrograms per
20 meter cured.

21 --o0o--

22 AIR POLLUTION SPECIALIST BELLINDER: The extended
23 stagnation period that California is currently
24 experiencing is very conducive to PM2.5 formation and
25 build-up. Colder than normal morning temperatures, warm

1 afternoons, and calm winds have created very stable
2 conditions with limited vertical and horizontal mixing.

3 Winter storms this time year typically ventilate
4 an area and disburse pollutants. However, during December
5 and January, there have been very few low pressure systems
6 providing rain. As a result, last week, Governor Brown
7 declared a drought emergency due to the record low
8 rainfall amounts throughout California.

9 --o0o--

10 AIR POLLUTION SPECIALIST BELLINDER: ARB staff
11 are currently completing review and analysis on the recent
12 PM2.5 data. Calculated design values are expected to
13 increase as a result of the recent high concentrations.
14 Once this review is complete and 2013 design values have
15 been calculated, staff will be able to determine impacts
16 on attainment in the context of the broader long-term
17 trends.

18 --o0o--

19 AIR POLLUTION SPECIALIST BELLINDER: We will now
20 move to our last topic, which illustrates the regional
21 progress that has occurred in reducing ozone and PM2.5 in
22 the five major urban areas.

23 --o0o--

24 AIR POLLUTION SPECIALIST BELLINDER: There are a
25 number of different ways in which we can evaluate

1 progress. The first is whether or not a standard is
2 attained in a given area. The legal definition of
3 attainment requires that all monitors be in compliance and
4 is driven by the regional monitor with the highest design
5 value.

6 There are also several other indicators that
7 highlight different aspects of air quality progress.
8 These include the number of high pollution days or
9 exceedances that a region experiences. Similarly, the
10 geographic extent of exceedances indicates how widespread
11 an air quality problem is.

12 --o0o--

13 AIR POLLUTION SPECIALIST BELLINDER: Significant
14 air quality progress in all of California's major urban
15 areas has occurred as the result of ongoing emission
16 reductions. Ozone design values have improved uniformly
17 in the last decades, dropping 15 to 20 percent across all
18 areas. These urban areas have seen even greater progress
19 in reducing the numbers of days above the standard, and
20 the geographic extent of areas meeting the standards has
21 also grown.

22 As a result of this progress, areas with less
23 severe air quality now meet many of the federal standards.

24 PM2.5 progress has been more variable. However,
25 both the 24-hour average and annual average concentrations

1 have declined. Only a handful of sites still exceed the
2 15 microgram per meter cubed annual standard.

3 --o0o--

4 AIR POLLUTION SPECIALIST BELLINDER: Now let's
5 look at this progress more in depth. This plot shows the
6 trend in ozone 8-hour average design values for five urban
7 areas for each year over the last decade.

8 The five areas from top to bottom on the plot
9 are: South Coast, San Joaquin Valley, Sacramento, San
10 Diego, and Bay Area. The gray horizontal lines near the
11 bottom show the levels of the 8-hour ozone standards of
12 0.08 parts per million and 0.075 parts per million.

13 The Bay Area is now in attainment of the most
14 stringent standards and San Diego nearing attainment. The
15 South Coast and San Joaquin Valley and Sacramento have
16 also shown ongoing progress, but are still significantly
17 above both standards and will require additional emission
18 controls to reach attainment.

19 ARB and district staff are implementing adopted
20 SIPs for the 0.08 parts per million standard, with
21 attainment dates of 2018 for Sacramento and 2023 for the
22 South Coast and the San Joaquin Valley, which are
23 classified as extreme non-attainment areas. SIPs for the
24 0.075 parts per million standard are due to U.S. EPA in
25 2016, with attainment dates of 2027 and 2032.

1 the population breathing cleaner air area.

2 The entire region has moved closer to attaining
3 the 8-hour standards, with the coastal portion of the
4 basin already meeting both standards. However,
5 significant further NOx and VOC reductions are necessary
6 to move the basin closer toward attaining the 0.08 parts
7 per million and the 0.075 parts per million standards by
8 their 2023 and 2032 deadlines respectively.

9 --o0o--

10 AIR POLLUTION SPECIALIST BELLINDER: These maps
11 show the improvement in 8-hour ozone design values across
12 the basin over the last decade. Light green indicates
13 that air quality meets the 0.08 parts per million standard
14 and dark green indicates that air quality meets the more
15 stringent 0.075 parts per million standard. Yellows,
16 oranges, and reds indicate areas with increasingly higher
17 ozone concentrations.

18 The map on the left shows concentrations in 2003,
19 when most of the South Coast was covered by shades of
20 orange and yellow, with two red circles. The region near
21 the coast was the only area that met the standard.

22 The map on the right reflects ozone
23 concentrations in 2013. The red and orange are completely
24 gone.

25 In addition, the green area has nearly doubled

1 and now includes the entire coastal region and portions of
2 the inland area. Today, 60 percent of South Coast
3 residents live in communities meeting the standard.
4 However, there is still work to be done as another six
5 million people live in communities that do not meet the
6 0.075 parts per million 8-hour ozone standard.

7 --o0o--

8 AIR POLLUTION SPECIALIST BELLINDER: Moving on to
9 PM2.5, as shown in the earlier trend plot, both the
10 24-hour average and annual average design values have
11 steadily decreased in the South Coast. From 2002 to 2012,
12 annual average design values have been cut nearly in half,
13 with the highest value now 15.6 micrograms per meter
14 cubed.

15 As of 2012, only one site remained above the
16 annual 15 microgram per meter cubed and 24-hour 35
17 microgram per meter cubed standards. The South Coast Air
18 Basin has a 2014 attainment deadline for both standards.

19 --o0o--

20 AIR POLLUTION SPECIALIST BELLINDER: Over the
21 last decade, the San Joaquin Valley has also been
22 continuing progress towards their 2023 attainment date.
23 The frequency of exposure to levels above the 0.075 parts
24 per million ozone standard has also decreased by 35
25 percent. The entire region has moved closer towards

1 attaining the 8-hour standard and portions of the valley
2 already meet both standards. Never the less, further NOx
3 reductions will be needed in order to attain the 0.08
4 parts per million standard by 2023 and the 0.075 parts per
5 million standard by 2032.

6 --o0o--

7 AIR POLLUTION SPECIALIST BELLINDER: These maps,
8 similar to the ones shown previously, demonstrate the
9 improvement in 8-hour ozone design values across the San
10 Joaquin Valley.

11 In 2003, most of the valley exceeded both the
12 8-hour standards, with the highest concentrations
13 occurring in the central and southern portions of the
14 valley. By comparison, in 2013, the orange colors in the
15 central and southern regions are completely gone. The
16 green colors cover the entire northern and western
17 portions of the air basin. And now 25 percent of valley
18 residents live in communities that meet the 0.075 parts
19 per million standard. The remaining three million people
20 live in areas where concentrations are still above the
21 standard, but air pollution levels are lower than in the
22 past.

23 --o0o--

24 AIR POLLUTION SPECIALIST BELLINDER: The San
25 Joaquin Valley remains the greatest challenge in terms of

1 meeting PM2.5 standards. However, in the last decade,
2 annual average design values have decreased by almost
3 one-third to 16 micrograms per meter cubed. Higher
4 concentrations occurred in the central and southern San
5 Joaquin Valley. While as of 2012 only a few sites
6 remained above the annual standard of 15 micrograms per
7 meter cubed, a larger number of locations throughout the
8 valley still exceed the 24-hour standard.

9 As a result, the San Joaquin Valley has a 2014
10 attainment date for the 15 micrograms per meter cubed
11 annual standard and a longer term deadline of 2019 for the
12 24-hour standard.

13 --o0o--

14 AIR POLLUTION SPECIALIST BELLINDER: Now we'll
15 briefly discuss the ozone and PM2.5 progress that we've
16 seen in some of the other regions throughout California,
17 beginning with the Sacramento metropolitan area.

18 In 2012, Sacramento was classified as a severe
19 non-attainment area with respect to the 0.075 parts per
20 million 8-hour ozone standard. Because of this
21 classification, the region has until 2027 to reach
22 attainment. Although concentrations are declining, over
23 the last three years, the area averaged 35 days above the
24 0.075 parts per million 8-hour standard. However, the
25 area is approaching the less stringent 0.08 parts per

1 million standard, with only one site located downwind of
2 Sacramento, still exceeding the standard. The Sacramento
3 region meets other federal standards for ozone and
4 particulate matter.

5 --o0o--

6 AIR POLLUTION SPECIALIST BELLINDER: San Diego is
7 progressively coming into compliance with many federal
8 standards. The region was classified as marginal with
9 respect to the 0.075 parts per million 8-hour ozone
10 standard with a near-term attainment deadline.

11 Currently, only one site in the region, located
12 inland from the coast, exceeds this standard. Although the
13 San Diego region meets all of the other federal standards
14 for ozone and particulate matter, the area still violates
15 some state standards.

16 --o0o--

17 AIR POLLUTION SPECIALIST BELLINDER: Finally, the
18 San Francisco Bay Area has also demonstrated continuing
19 progress and now meets all federal standards for ozone and
20 particulate matter. However, the area does still have
21 violations of the more stringent state standards.

22 --o0o--

23 AIR POLLUTION SPECIALIST BELLINDER: In summary,
24 air quality continues to improve throughout California.
25 Today, over 68 percent of California residents live in

1 communities that meet the federal standards. Although a
2 number of communities still exceed the health-based
3 standards, exposure to PM2.5 and ozone in these areas has
4 also been greatly reduced.

5 This progress is a result of ARB's
6 multi-pollutant strategy of NOx, VOC, and PM2.5 controls.
7 These strategies will form the foundation for our future
8 success, as we will need significantly more emission
9 reductions to attain ozone standards.

10 This concludes my presentation and staff would be
11 happy to answer any questions that you might have at this
12 time.

13 CHAIRPERSON NICHOLS: Do we have any witnesses?
14 We do not.

15 I think we some comments from the Board.

16 BOARD MEMBER BALMES: I think the Board and all
17 its partners deserve tremendous congratulations for the
18 progress you've made across the state, especially in the
19 South Coast and San Joaquin Valley, which are the most
20 polluted areas of the state.

21 So I don't want to take anything away from the
22 progress that's been made. But we do continue to need to
23 do more. And you have checked off the San Joaquin Valley
24 as meeting the 24-hour PM2.5 standard in terms of
25 attainment. But I think this winter will probably set the

1 valley back since I think this week there have been
2 multiple days well over the 24-hour standard. I think
3 actually over 100 micrograms per meter cubed of PM2.5 in
4 multiple locations. And it's been over the last few
5 weeks.

6 And just walking here from the train station this
7 morning, one of my former students who works at the Health
8 Department came running up to me and said, "Dr. Balmes,
9 are you here for the CARB meeting?" I said, "Yes."
10 "You've got to do something about the air in the Bay Area.
11 It's been really bad lately."

12 And, you know, speaking of the Bay Area where I
13 live, it's great to see the Bay Area is in attainment for
14 both ozone and PM2.5. It has been bad this winter. But I
15 also recently was a co-author of a paper that was
16 published where we showed an association between air
17 pollution exposure and the onset of asthma in young kids.
18 And actually, there were strong effects in the Bay Area,
19 which is supposedly, you know, an area with clean air.
20 The kids' exposure that we looked at were a number of
21 years ago. But it wasn't that long ago. And the
22 pollutant that had the most -- that had the strongest
23 association with nuance of asthma in these kids was NO2,
24 which I think is marker of traffic. These were minority
25 kids, a lot of whom live near transportation corridors.

1 So our suspicion is it was traffic-related pollution.

2 My point is we're doing a good job with the
3 criteria pollutants, and we need to continue work on that.
4 But the traffic pollution mix has been increasingly
5 associated with health outcomes. And while we're doing a
6 good job of trying to control traffic-related pollutants,
7 we need to continue to press onward. So I don't think we
8 should be too congratulatory because this year has been a
9 bad year in terms of PM.

10 I guess the last point this year may be a
11 harbinger of what's to come. I think the drought is at
12 least in part due to climate change. And we may have
13 other dry years in the future with weather patterns that
14 will allow for high PM2.5 in the winter months.

15 CHAIRPERSON NICHOLS: Anyone else? I would want
16 to maybe comment also myself, but I'll refer to the others
17 first. Yes.

18 BOARD MEMBER SPERLING: I have a question. In
19 the last 50 years, ARB and the air districts have done a
20 great job of perfecting the SIP process, and with large
21 improvements in reductions.

22 But going back to what Chairman Nichols said
23 earlier about economics and environment, we've gotten a
24 lot smarter about knowing where the pollutants come from,
25 how they mix, how they transport it, reactions and impacts

1 and exposure.

2 And I wonder -- this is a question. I really
3 don't know the answer. I'm not preaching like I normally
4 am. But it seems like I know this gets into politically
5 treacherous territory. But it seems like we could do a
6 lot better at focusing on where the problems are. And
7 certainly, there's transport going on. But it seems like
8 we can be a lot more surgical in terms of identifying
9 where the sources are and where the exposure is and not
10 using brute force broad regulations and policies like
11 we've often done, you know, just because we didn't have
12 the data and the understandings.

13 So I'm wondering -- so just a question. A lot of
14 this will happen at the district level. But I'm
15 wondering, what are we doing to be smarter, is the real
16 question?

17 CHAIRPERSON NICHOLS: How many days do you have?

18 BOARD MEMBER SPERLING: Hopefully, it does take
19 days to answer. I worry if it's not days.

20 AQPS CHIEF KARPEROS: In fact, we will take a day
21 in the upcoming Board meeting that Richard Corey alluded
22 to. We will brief you on the chemistry. We have gotten a
23 lot smarter about the formation of ozone and PM in the
24 atmosphere in California. We'll talk with you about that
25 at the next Board meeting.

1 In terms of the SIP development process, the way
2 we see that moving forward is an overlay of statewide and
3 regional strategies to bring down overall levels. And
4 then mixed with that are targeted strategies I think of
5 the sort you're talking about to focus on those most
6 highest, most polluted areas. You'll get a hint of that
7 with the freight strategy briefing even later today.

8 So we're moving in that direction. We've got
9 much stronger technical tools to do that than we've had in
10 the past, both in terms of photochemicals modeling,
11 emissions inventories, and the like.

12 BOARD MEMBER SPERLING: Could I suggest -- I
13 don't know if we need any further response to the Board in
14 the future, but at least I could be interested in hearing
15 more about how that's really happening. I think that's
16 really fundamental to our whole air quality program as we
17 look forward to especially the ozone standards. And we're
18 talking 90 percent reduction in NOx. And that could get
19 very expensive.

20 And so I'd be very interested some -- I don't
21 know what -- small report, a small briefing, something,
22 and about how we're actually making -- we, I'm talking
23 about the whole community.

24 CHAIRPERSON NICHOLS: I was about to say this is
25 bigger than the Air Resources Board. There are a lot of

1 people that are looking at these issues. But I want to
2 call on Ms. Mitchell next and then I want to comment.

3 BOARD MEMBER MITCHELL: Thank you, Chairman
4 Nichols.

5 As the representative from the South Coast Air
6 Quality Management District, I wanted to make some
7 comments about that area in particular because we are not
8 in attainment. And the biggest challenges that we face
9 come from motor vehicles, and that's why the freight
10 policy we're looking at today is so important, important
11 to our region and other regions across the state.

12 The other thing that happens with freight in our
13 region is that about 40 percent of the freight that comes
14 into the ports of Los Angeles and Long Beach go east
15 across the Rocky Mountains. And we need federal support
16 in that regard, because we have emissions from ships, from
17 marine vehicles, from locomotives, as well as from
18 heavy-duty trucks. And some of that is federally
19 controlled or internationally controlled. We need to get
20 support from those other organizations and to these
21 agencies to control that.

22 The other thing that I want to emphasize is how
23 important the role of ARB is in helping reach goals in the
24 South Coast district because so much of the emissions are
25 from vehicle traffic.

1 And we have to by 2023 reduce our NOx by about 80
2 percent and by 2032, 90 percent. And most of that NOx is
3 coming out of vehicular traffic. And NOx also being a
4 precursor of ozone, that is the major hurdle that we face.
5 So I think a good collaboration here between ARB, between
6 South Coast, and the San Joaquin Valley is really
7 important in that regard, as well as other areas, Oakland
8 and some other areas that have a lot of freight traffic.
9 So I want to emphasize that importance. Thank you.

10 CHAIRPERSON NICHOLS: Supervisor Gioia.

11 BOARD MEMBER GIOIA: I appreciate the
12 presentation.

13 And I think one additional fact we should include
14 when we're talking about this is quantifying the economic
15 aspects of improved health. That's one thing we've done
16 at the Bay Area Air Quality Management District. This
17 idea it's health or economy, it's all related. They're
18 overlapping. And there are ways to quantify improved
19 health as a result of the improvement in air quality.

20 So I think that's a really important fact and
21 component that should be included when we sort of talk
22 about the successes and what still needs to be done. So
23 we've done that in the Bay Area. I'm sure other districts
24 done that. But having that number -- and I'm sure the
25 health folks here on this Board sort of understand and,

1 you know, would love to see that, too. We all want to see
2 that.

3 CHAIRPERSON NICHOLS: I want to underscore that
4 point, because as Richard's presentation about our work in
5 the next year pointed out, California is of increasing
6 interest to other countries around the world as a model.
7 And it's not just because we have AB 32 and the climate
8 program, although climate has been the thing that
9 initially created a lot of the international dialogue.
10 The fact is that the countries that are interested in
11 modeling themselves on us or talking to us want that
12 because they have air quality problems that effect their
13 population. And because that issue is so salient now to
14 growing middle classes in countries around the world,
15 people are demanding public action and the continued
16 existence of bad air pollution in places like China
17 becomes a political liability and actually a direct
18 economic liability as well, because some of their most
19 capable people are deciding they don't want to live and
20 work in places where the pollution levels are so
21 unacceptable.

22 So it's really important to remember that not
23 only is the air pollution work we do fundamental to
24 everything else that we are involved in, but also it has a
25 direct tie to the economy and not just the cost of

1 achieving these standards, but the reason why we do it,
2 which is public health as the public is the essential
3 element of the economy.

4 Do you want to say something, Dr. Sherriffs?

5 BOARD MEMBER SHERRIFFS: I think sometimes there
6 is discouragement. Emissions are down. This is
7 wonderful. And then we've had a string of the most
8 horrible air quality days since Thanksgiving in the
9 Central Valley. And I hate to say it, it provides an
10 excuse for me not to go out for a walk in the morning
11 because I understand that's the unhealthy time to walk
12 because of this.

13 You know, it remind us just because we have
14 attainment, the job is not done. There are always -- it's
15 a changing environment. There's always the weather at
16 play. Clearly, climate change has an effect. We don't
17 understand that effect necessarily well. But if overall
18 temperatures are increasing, well, ozone is going to
19 become more of a problem in the future for the valley,
20 particularly.

21 More and more trans-boundary issues arising. And
22 none of these things to me are an excuse to back off. We
23 look at the unhealthy days that we had and are still
24 having. But we didn't have any purple days. And we
25 clearly would have had those if we had not been pushing so

1 hard to achieve these standards and, in fact, do what we
2 could to get there ahead of time.

3 So yes, certainly a more surgical approach. But
4 health, hard to measure health. Certainly, we can do some
5 economic measures. We're talking about in the Central
6 Valley certainly a billion dollars, probably more directly
7 measurable health effects. So in fact, I think we get
8 very good value for our efforts.

9 BOARD MEMBER BALMES: I would just like to point
10 out that in the past, the Air Resources Board has funded
11 studies that have shown the economic benefits of meeting
12 standards in terms of reducing health care costs. And one
13 of the people I work with, Fred Learman from Sonoma
14 Technology was a co-author of a paper a few years back
15 that showed the benefits of the improvement air quality in
16 the San Joaquin Valley that directly measured health care
17 cost benefits. So the Board has done good work in the
18 past on this.

19 CHAIRPERSON NICHOLS: And on the techniques for
20 evaluating it, too.

21 BOARD MEMBER GIOIA: The other way we
22 communicated it in the Bay Area is not only the cost
23 savings but the number of days, the less you know in the
24 hospital, the decrease in asthma cases, things like that.
25 But quantifying -- school days. The more you can quantify

1 it in real terms people can relate and understand, the
2 more folks who don't normally think about this will relate
3 to it and support it.

4 CHAIRPERSON NICHOLS: So I just want to add one
5 other thought before we move onto the next report item,
6 which is that -- this I suppose responds more to
7 Dr. Sperling's comments. But I personally was
8 responsible -- if you look at slides 7 and 8, the federal
9 ozone standard, the federal PM2.5 standard in 1997. So I
10 was the assistant administrator for air and mediation at
11 U.S. EPA at the time both of those standards were set. It
12 was the major work that our group did in the first and
13 into the second Clinton Administration. And it was a very
14 big deal at that point for a couple reasons.

15 First of all, because we did two standards at
16 once, which had never been done before. We did both ozone
17 and PM2.5 jointly. A lot of people thought that was a
18 crazy thing to try to do. But it gave us the opportunity
19 to educate the public about the fact that the causes of
20 both of these pollutants are surprisingly similar and the
21 things that need to be done to improve them are also very
22 similar.

23 But in addition to wanting to brag about that,
24 what I want to say is that we focused on longer-term
25 standards in both of those. That is, we went to an 8-hour

1 standard rather than a one-hour standard. And we focused
2 on the annual standard for PM2.5 partly because we were
3 trying to reflect the science as we thought. That it was
4 really longer-term chronic exposures to these pollutants
5 that was more important to the public health as a whole
6 than it was to deal with the short-term acute effects.
7 Some of the things that we're going to be seeing,
8 particularly as a result of the drought and forest fires,
9 are acute episodes, which are very unpleasant to people
10 when they experience them without a doubt. It will send
11 people to the hospital and cause great fear and concern.

12 At the same time, driving down these long-term
13 exposures -- I'm looking for a nod or a yes from my public
14 health friends -- is probably the most important thing
15 from the perspective of overall good of the most people.
16 And it also forces us I think to think more sensibly about
17 the kinds of changes that we need to see in our
18 transportation system, in our fuels, in order to actually
19 deal with those exposures.

20 So while it may seem like we ought to be able to
21 tweak our regulations a little bit to just get at one
22 source over here that's effecting that monitor over there,
23 and if we could just do that, we could achieve the
24 standards, that doesn't in my opinion actually get us
25 where we need to go in terms of addressing the problem.

1 And we want to really try to figure out how to make the
2 federal air standards less onerous in places where maybe
3 they don't need to be so onerous from an economic
4 perspective, we should be focusing in some other ways on
5 the standard-setting process.

6 Unfortunately, we can't do that as long as
7 Congress is hostile to doing anything positive about the
8 environment. And so there have been efforts over the
9 years on the part of people in California, including some
10 of our more progressive business representatives to try to
11 sit down and talk about is there a better way to do this.
12 Because as the standards have gotten lower, have gotten
13 stricter, the truth is that we are an outlier here, you
14 know. We do more than any other state in the country to
15 deal with our air quality problems. And as that becomes
16 more apparent, it also, you know, has an impact on
17 California businesses as well.

18 So I just want to raise the issue, because if the
19 opportunity ever arises to have a constructive
20 conversation about air quality, standard setting, and
21 measurement, California is in a very good position to lead
22 that kind of a dialogue. But it would not be very
23 productive to do it I think as long as we're in a
24 situation where we can't hope for any positive action at
25 the federal level. So it's just an observation on where

1 we are. But we'll be hearing more about the chemistry and
2 what we know about that next month.

3 If people are willing to, I think we should move
4 to on because we have a bunch of people here today who are
5 here because of the next item, which is the briefly on
6 status of the Sustainable Community Strategies under SB
7 375.

8 Over the past three years, the major urban areas
9 in California have adopted sustainable community
10 strategies in their Regional Transportation Plans. The
11 Governor's budget for next year, I'm happy to say,
12 includes some funding to support the strategies in these
13 plans that will reduce greenhouse gas emissions and have
14 other benefits as well.

15 The integrated planning process envisioned by SB
16 375 provides an opportunity to guide land use and
17 transportation decision making to meet multiple goals from
18 greenhouse gas reductions to healthier communities.

19 This Board has strongly supported the goals of SB
20 375 as an important element in our clean air and vehicle
21 programs as well.

22 I know that some of our Board members who are
23 also regional representatives have been especially closely
24 involved and following these local planning processes.
25 And I hope at some point after we hear the staff

1 presentation they will weigh in on this item as well.

2 We have representatives here from several of the
3 metropolitan planning organizations who are the major
4 implementers of SB 375, and we are hoping that they will
5 not only speak, but also stay through the end of this item
6 in case Board members want to ask them some follow-up
7 questions. So with that, we have the team in place.

8 And let's get started, Mr. Corey.

9 EXECUTIVE OFFICER COREY: Thank you, Chairman
10 Nichols.

11 Since the Board adopted the Regional Greenhouse
12 Gas Reduction Targets in 2010, the Sustainable Community
13 Strategy, or SCS, has been completed for seven out of the
14 18 regions. Each complete SCS has demonstrated the
15 ability to meet the targets for 2020 and 2035 and together
16 represent most of the state's population.

17 Other metropolitan planning organizations or NPOs
18 continue to develop their first SCSs, with adoption
19 scheduled to occur by the end of this calendar year.

20 Today's briefing provides a status on the
21 program, including major activities for this year. For
22 ARB staff, providing technical assistance to the eight San
23 Joaquin Valley MPOs is a high priority.

24 Here today are Mr. Hasan Ikhata, Executive
25 Director of SCAG; Mr. Gary Gallegos, Executive Director of

1 SANDAG; Mr. Mike McKeever, Executive Director of SACOG;
2 Mr. Steve Heminger, Executive Director of MTC; Peter
3 Imhof, Executive Director -- rather Deputy Executive
4 Director of SBCAG; and Terri King, representing the San
5 Joaquin Valley MPOs, to speak after the staff
6 presentation.

7 I'll now turn it over the Terry Roberts our
8 Transportation Planning Branch who will give the staff
9 presentation. Terry.

10 (Thereupon an overhead presentation was
11 presented as follows.)

12 MS. ROBERTS: Thank you, Chairman Nichols and Mr.
13 Corey, for that introduction.

14 --o0o--

15 MS. ROBERTS: The Sustainable Communities and
16 Climate Protection Act, also known as Senate Bill 375,
17 took effect in 2009. It compliments our AB 32 climate
18 goals by addressing greenhouse gas emissions from
19 passenger vehicles and is reflected in the 2008 Scoping
20 Plan as an important strategy for meeting the State's
21 long-term climate goals.

22 The goal of SB 375 is to plan for new growth in a
23 way that generates less greenhouse gas emissions from
24 passenger vehicles. Through this type of planning,
25 numerous additional benefits can be realized, among them a

1 stronger local and state economy, improved public health,
2 and protection of sensitive environmental resources.

3 It requires regional agencies and local
4 governments to work together to create a shared regional
5 vision for more sustainable growth and provides a
6 framework for local decision-making.

7 --o0o--

8 MS. ROBERTS: Responsibility for carrying out the
9 law rests with several entities.

10 The Board must establish the greenhouse gas
11 reduction targets for 2020 and 2035 that will guide each
12 of the regions as they develop a plan, called a
13 Sustainable Communities Strategy, or SCS.

14 The regions, represented by the Metropolitan
15 Planning Organizations, or MPOs, are responsible for
16 developing the SCS in collaboration with local governments
17 through a robust public process. If a region finds that
18 it cannot meet its regional targets, it can prepare an
19 alternative planning strategy that identifies the actions
20 that would need to be taken to achieve the targets.

21 Once adopted, the Board must determine whether
22 the MPO has demonstrated that the region could achieve its
23 targets if the SCS were implemented. Local governments
24 will need to take action through their local land use
25 decisions and project approvals to implement the SCS.

1 To support the regional planning process and
2 local implementation, the State provides funding through
3 the Strategic Growth Council's planning grants. Over the
4 past three years, the SGC has allocated over \$50 million
5 in grants to MPOs and local governments. By the end of
6 this calendar year, the we expect the SGC will award
7 another \$20 million in grants from Proposition 84 Funds.

8 --oOo--

9 MS. ROBERTS: The Board established the first
10 regional targets in September of 2010 to meet a mandated
11 deadline. At that time, many of the MPOs, including the
12 eight in the San Joaquin Valley, had just completed a
13 Regional Transportation Plan, or RTP, update. Therefore,
14 the Board's main focus was on the four largest MPOs, which
15 had already begun their RTP updates. These four large
16 MPOs represent the majority of the state's population and
17 passenger vehicle greenhouse gas emissions.

18 The Regional Targets Advisory Committee, or RTAC,
19 provided important recommendations for factors and
20 methodologies to consider. The RTAC recommended the use
21 of a bottom up collaborative process in which the MPOs
22 provided targets recommendations to the Board and they
23 provided a target metric that is based on a percent
24 reduction in per capita emissions from a base year of
25 2005.

1 The targets set by the Board were based on the
2 MPO's modeled scenarios using their regional travel models
3 to estimate the levels of reduction that were possible in
4 the 2020 and 2035 time frame. The largest MPOs were able
5 to provide this kind of detailed technical analysis;
6 others were not. For many of the smaller MPOs, including
7 the eight in the San Joaquin Valley, the Board set targets
8 in the context of other regions that did give us
9 recommendations.

10 When the Board set targets in 2010, it was with
11 the understanding that the targets would be updated at
12 some point, as improved data and models became available
13 for better quantification of emission reductions. In
14 calling for targets through 2035, the statute itself
15 recognized the long lead time required to effect change in
16 land use patterns.

17 --o0o--

18 MS. ROBERTS: From a policy perspective, SB 375
19 has changed the business as usual approach to planning and
20 resulted in several important achievements.

21 First, the regional plans that we've seen to date
22 make significant changes in land use policies that
23 encourage compact growth, transportation investments that
24 expand mobility choices, and housing priorities that offer
25 more affordable and accessible housing.

1 Through the coordinated efforts of State
2 agencies, a substantial amount of State funding has been
3 made available to assist regions and local governments as
4 they prepare to adopt and implement their first SCSs.

5 The MPOs have successfully engaged the public in
6 a new type of scenario planning that provides the public
7 and decision makers with information to make choices among
8 alternative visions for the future. Scenario planning is
9 widely embraced by the MPOs and the public and has
10 encouraged a broader dialog about many inter-related
11 regional goals.

12 Importantly, all of the adopted regional plans
13 have been SCSs, not alternative planning strategies, and
14 have demonstrated that they could meet their greenhouse
15 gas reduction targets, if implemented.

16 --o0o--

17 MS. ROBERTS: This slide identifies several
18 important aspects of transportation planning and local
19 planning that influences an MPO's process. Please bear
20 with me. I'd like to spend just a little bit of time on
21 this slide.

22 Let's start with the column on the left called
23 transportation planning. The SCS is an integral part of
24 the federally mandated RTP. Federal law requires that
25 MPOs develop and update a long-range RTP every four to

1 five years. The RTP must demonstrate transportation
2 conformity with air quality standards. In other words,
3 projects proposed in an RTP cannot interfere with air
4 quality goals. The RTP must also be financially
5 constrained. That is, it must be based on reasonable
6 expectations of available funding.

7 Without a federally approved RTP, an MPO cannot
8 receive federal transportation dollars. The California
9 Transportation Commission must allocate federal dollars to
10 the regions through the approval every two years of a
11 transportation improvement plan which specifies individual
12 projects to be funded.

13 The list of transportation projects in an RTP
14 typically is generated by local transportation commissions
15 and rolled up into the regional RTP. MPOs have limited
16 discretion over the projects that are included in the RTP,
17 but must analyze the projects for consistency with systems
18 needs and regional performance criteria.

19 MPO Boards are usually made up of local
20 governments and the County Transportation Commissions.
21 MPOs are the pass-through agency for federal and State
22 funding, but have limited discretion over the use of those
23 funds.

24 As State and federal funding for transportation
25 has dwindled over the years, some local agencies have

1 started generating revenues through local sales tax
2 measures, usually specified for capital projects.
3 Revenues for operation and maintenance of the
4 transportation system are even more limited, making it
5 difficult for MPOs to meet performance goals to maintain
6 the system in a state of good repair.

7 MAP 21, the most recent federal transportation
8 reauthorization, requires a new performance-based approach
9 to regional transportation planning. It authorizes MPOs
10 to analyze alternative scenarios in the RTP. And it
11 requires the local land use component of the RTP to be
12 consistent with the transportation network.

13 Sound familiar?

14 The Federal Department of Transportation is
15 currently developing new performance measures that MPOs
16 will have to use to evaluate their RTPs. States will have
17 then have one year to establish more specific performance
18 targets, and ultimately MPOs will be required to establish
19 regional performance targets consistent with the State
20 targets. This will add another level of complexity for
21 the next round of RTPs that are developed after 2015.

22 Now on the right side of the slide, we've got
23 some points on land use planning.

24 In California, we know local governments,
25 including cities and counties, have land use

1 decision-making authority. However, SB 375 relies on
2 local governments to make the day-to-day land use
3 decisions that will implement the SCS. Those land use
4 decisions often must be preceded by the establishment of
5 enabling land use policies and development regulations,
6 infrastructure and service plans to accommodate more
7 compact development, and the interest of developers who
8 are able to secure the financing to build the projects.

9 Typically, the lead time required to update a
10 general plan, establish development standards, and see a
11 project through permit approval and occupancy can be
12 anywhere from seven to ten years. That's longer than the
13 time frame for updating an RTP and perhaps shorter than
14 the time it takes to build major new transportation
15 infrastructure. Many cities and counties do not have the
16 resources and staffing to even begin this planning
17 process, which really is the foundation for better land
18 use decisions.

19 Local governments must be concerned with the
20 fiscal health of the community, and decisions about land
21 development are often influenced by forecasted revenue
22 associated with a project. In many communities, new
23 housing is not a revenue generator because of the high
24 cost of providing services.

25 --o0o--

1 MS. ROBERTS: The adopted SCSs demonstrate that
2 the regions are moving away from business as usual,
3 planning practices, and toward more sustainable planning
4 policies. More of the region's future growth is being
5 directed to the urbanized areas with concurrent investment
6 in transit to provide alternative modes of transportation
7 to these growing population centers.

8 In the Sacramento region, the SCS emphasizes
9 regional in-fill opportunities and focuses transit
10 investments in compact, mixed use areas that are capable
11 of supporting transit service. In the Southern California
12 region, over half of new homes and jobs will be within
13 walking distance of transit by 2035. And in the San Diego
14 region, the commitment to compact, transit-oriented
15 development will enable greater protection of sensitive
16 habitats and open space. In the Bay Area, new growth is
17 focused in priority development areas that are served by
18 the necessary infrastructure.

19 These adopted plans are also accommodating more
20 multi-family housing as a share of the total forecasted
21 housing development. This is consistent with the overall
22 focus on compact transit-oriented development, but also
23 has the benefits of providing new housing options that are
24 demanded by a changing demographic and meeting regional
25 housing affordability goals.

1 We are also seeing innovative ideas to accelerate
2 penetration of electric vehicles into the passenger fleet,
3 as with the Bay Area's climate policy initiatives, and new
4 funding mechanisms are being considered, including a
5 user-based mileage fee.

6 Active transportation options, including biking
7 and walking, were strongly supported by the public during
8 the SCS planning, and MPOs responded with policy and
9 financial commitments to active transportation. The SCSs
10 also increasing investment in transit, including bus, bus
11 rapid transit, light rail, and commuter rail services.
12 The results of these policy changes is expected to be a
13 significant shift in travel modes by 2035.

14 --oOo--

15 MS. ROBERTS: As well as changes taking place in
16 the plans themselves, we are seeing changes in the way
17 that MPOs are carrying out their regional planning
18 responsibilities.

19 MPOs are forming new working partnerships with
20 transit agencies and county transportation commissions.
21 For example, the Southern California Association of
22 Governments and L.A. Metro, the largest transit provider
23 in the region, are jointly implementing some of the SCSs
24 transit and active transportation strategies, including a
25 first last mile strategic plan.

1 updated their travel models to have more consistent
2 assumptions and enhanced functionality. They worked
3 together to develop their respective growth forecasts and
4 are developing a single technical methodology for
5 quantifying greenhouse gas emission reductions, which they
6 will be sharing with us very soon.

7 Each of the MPOs is undertaking their own public
8 participation process, which has included the evaluation
9 of alternative scenarios. Some of the regions have
10 recently selected a preferred scenario to include in their
11 SCS.

12 Inter-regional travel is an important statewide
13 issue and of particular significance for the valley. The
14 MPOs here have retained a travel modeling consultant to
15 investigate this issue on a valley-wide basis and to
16 determine how it affects the outputs of their eight
17 individual travel models.

18 Recognizing the limited technical resources in
19 the valley, ARB has been providing technical assistance to
20 these MPOs as they move forward with their SCSs.

21 --o0o--

22 MS. ROBERTS: There are challenges to developing
23 and implementing an SCS in every region, whether urban or
24 rural, large or small.

25 SB 375 relies on coordination between the MPO and

1 local government to implement the SCS through day to day
2 decision making. Some of those decisions are made by the
3 regions in terms of developing policy guidance, providing
4 technical data, and allocating funding to support local
5 projects. At the local level, modifying land use policies
6 and permitting processes are essential to putting the SCS
7 into action.

8 From a resource standpoint, SB 375 has placed new
9 demands on the MPOs to do the modeling in support of the
10 SCS and to engage stakeholders and the public in an
11 enhanced public process. Local governments also need
12 assistance to update general plans and local development
13 standards that will facilitate new development consistent
14 with the SCS. Beyond planning, there is a need for
15 funding to build and upgrade the infrastructure. That is,
16 water, sewer, other utilities that are necessary to
17 support new land use patterns and to support new housing
18 and mixed use development.

19 Technical challenges to implementing SB 375
20 include the need for more robust data to support modeling
21 and the development of new travel and land use models.
22 Several MPOs are transitioning to new state-of-the-art
23 activity-based models and developing new land use models
24 to better capture the effects of land use and
25 transportation strategies.

1 In one region, the MPO is developing the first
2 active transportation model in California. It will help
3 quantify the benefits of biking and pedestrian projects
4 and will help to prioritize funding for these. Scenario
5 planning is essential to the SCS process, but scenario
6 planning tools are still evolving with one promising tool,
7 urban footprint, still under development and testing.

8 --oOo--

9 MS. ROBERTS: The Board recognized when it
10 established the initial targets that the State needs to
11 support the regions in their efforts to secure funding and
12 other resources for SB 375 implementation.

13 The state provides direct support for regional
14 and local planning efforts that are consistent with SB
15 375's goals. The Strategic Growth Council's planning
16 grants, funded by Prop. 84 funds, have been an important
17 source of funding and have funded critical planning and
18 modeling tools.

19 By the end of this calendar year, the SGC will
20 have allocated somewhere in the ballpark of \$70 to local
21 governments and MPOs. Governor Brown's recent budget
22 proposal for fiscal year 2014-15 proposes \$100 million
23 from cap and trade revenues to supplement the SGC's grant
24 program. This funding would support a broad set of
25 investments that implement the SCSs, including

1 transit-oriented development, active transportation, and
2 related planning.

3 The state is also investing in major
4 infrastructure projects like high speed rail, which will
5 provide mobility, air quality, and economic benefits
6 across the state. It will provide important connections
7 between regions of the state and within regions provides
8 support for the kind of high quality future growth that is
9 consistent with the SCSs.

10 The state is also investing in the statewide
11 model improvements, most notably Caltrans' statewide
12 travel demand model, which will increase our understanding
13 of inter-regional travel and help MPOs to better represent
14 the issue in their regional models. ARB has been
15 participating in Caltrans' Advisory Committees for an
16 update on the statewide model, which is due to be released
17 soon.

18 Finally, the state has funded several research
19 projects over the past three years to increase our
20 understanding of the effects of various SCS strategies.
21 Last year, the Board approved two new research projects.
22 You heard mention of one on displacement. But also we're
23 looking at the potential usefulness of sound walls and
24 vegetation barriers as a mitigation strategy for
25 near-roadway pollution.

1 --o0o--

2 MS. ROBERTS: A statute spells out the
3 requirement for ARB to update the targets every eight
4 years consistent with each MPO's time frame for updating
5 their RTP. Under specified circumstances, the Board may
6 update the targets every four years. In 2010, the Board
7 directed staff to provide an update every four years to
8 discuss the need for setting new targets based on new
9 information.

10 --o0o--

11 MS. ROBERTS: The statute mandates steps that the
12 Board must take when updating the targets. As with
13 initial target setting, the MPOs may recommend to the
14 Board what their targets should be. The Board must
15 exchange technical information with affected and expert
16 agencies, including the MPOs, the Department of
17 Transportation, local air districts, and local
18 governments.

19 Furthermore, ARB must engage in a consultative
20 process with public and private stakeholders prior to
21 updating the targets.

22 Based on the Board's direction in 2010, ARB staff
23 is planning to initiate a public process very soon. The
24 first step in the process would be to lay the technical
25 foundation for a target update and share that information

1 with the public. Following that, we would engage in a
2 public process that includes regional workshops.

3 --o0o--

4 MS. ROBERTS: To recap, the major regions of the
5 state have adopted their first SCSs and are now engaged in
6 SCS implementation, even as they move forward to develop
7 their second SCS.

8 Many other MPOs are developing their first SCSs
9 to coincide with their next RPT update. Staff will return
10 to the Board in the fall to report on the outcome of the
11 public process related to a target update based on your
12 direction.

13 And finally, the State continues to support the
14 MPOs as they implement their first SCSs.

15 That concludes the staff presentation. I would
16 just like to point out that the MPOs are here to speak and
17 you do have one more presentation.

18 CHAIRPERSON NICHOLS: Thank you. I think they
19 have a coordinated presentation. With the permission of
20 the Board, I think we'll hear from them first before we
21 have anymore discussion. So welcome.

22 (Thereupon an overhead presentation was
23 presented as follows.)

24 MR. MC KEEVER: Thank you very much, Chairman
25 Nichols. I'm Mike McKeever, the CEO of SACOG. We do have

1 a brief coordinated presentation from the four largest
2 MPOs in the state for you. And then I know we also have
3 our colleagues, one from the coast and one from the
4 valley. So I think there's six of us that would like an
5 opportunity to speak briefly.

6 I just want to start with a couple quick
7 introductory observations and repeat a thank you I've
8 given to this Board when we've been here before. It is
9 unfortunately unusual in this era of acrimony in the
10 public sector to find organizations that are increasingly
11 working together better in a very healthy partnership or
12 helping each other to do each of our individual jobs
13 better through the partnership. We really have had a
14 great partnership with your Board and with your staff.
15 And that has continued to grow as we've moved from the
16 first round of plans into implementation. So a sincere
17 thank you to you for that.

18 I also want to say as an overview of the four
19 presentations that you're going to hear to begin with
20 that, as you know, when you launched the process of
21 setting the targets and the foundation for the first round
22 of plans, the term that you landed on the targets should
23 be the most ambitiously achievable, which we translate in
24 our private conversations as break of sweat. It's the
25 break a sweat doctrine to us.

1 Our message today is basically we did not stop
2 sweating on adoption of our plans. We are continuing to
3 work very ambitiously to achieve the good goals that we
4 set out for ourselves and our plans. So with that, I want
5 to turn this over -- we're going to go south to north.

6 --o0o--

7 MR. MC KEEVER: We're going to go from south to
8 north.

9 So Gary Gallegos from the San Diego region is
10 going to begin.

11 CHAIRPERSON NICHOLS: That seems fitting in view
12 of their first delivery of an SCS.

13 MR. GALLEGOS: Thank you. Madam Chair and
14 members of the Board, thank you for this opportunity to
15 come and share our progress that we're making on
16 implementing our SCS.

17 Given the brief amount of time we have here,
18 while there's a tremendous amount going on I think
19 throughout the state, but specifically in San Diego, I'm
20 going to focus my update on sort of three areas. First,
21 I'd like to talk about the evolution of our land use.
22 Secondly, I would like to share with the Board very
23 effective environmental mitigation program that we've
24 implemented and is working well for us. And lastly, I'd
25 like to update the Board on a pretty aggressive and

1 exciting active transportation program that our Board and
2 our region has adopted.

3 So first in terms of where we've been, to set the
4 stage here. What you see here on the screen is what our
5 land use plans looked at or looked like in 1999. With
6 what you see there in blue is where housing would be,
7 where people would live. What you see in purple are where
8 jobs would be at. And what you see in green is open
9 space. So that was sort of what we would characterize as
10 business as usual. So now let's fast forward to what
11 we're hearing from our local governments in terms of land
12 use today.

13 --o0o--

14 MR. GALLEGOS: And this is what the map looks
15 like today when you look at that. And almost all of our
16 jurisdictions have updated their general plans. I think
17 that's one of the positive things that has come out of SB
18 375.

19 I'd like to take this opportunity to highlight
20 the important work the County of San Diego did, because a
21 lot of the -- our back country, a lot of the
22 unincorporated areas in the county. And there is really
23 two goals that we were trying to focus is how could we
24 focus growth into the urban areas where infrastructure
25 already exists, and secondly, how can we preserve open

1 space.

2 And the county of San Diego with the leadership
3 of Supervisor Roberts were key in really -- as they
4 adopted their general plan, they down zoned a lot of land
5 in the back country. As the supervisor reminds me, this
6 did not come with a lot of pain. This is not an easy
7 thing for local elected officials to do.

8 As we were down-zoning the back country, we
9 needed to up zone the urban area in order to demonstrate
10 one of the requirements of SB 375 is that we could provide
11 enough housing opportunities to house all the population
12 that we were forecasting.

13 So what you see is a result in terms of where
14 we're at today, is we've seen if we look at these two maps
15 and try to quantify the reduction in greenhouse gas per
16 capita, our analysis shows that from 1999 to 2013, from a
17 land use perspective, we've seen somewhere between a 25 to
18 30 percent reduction in greenhouse gases per capita
19 because of the aggressive land use planning that's been
20 going on in San Diego for a decade or so here. So we see
21 that as pretty significant.

22 The other thing I would highlight with the slide
23 that I think is important is that 82 percent of the new
24 growth that you see here will be multi-family homes. And
25 if we were to back up a decade, that would be a flip

1 opposite of that where we would have had 80 some percent
2 of our growth would have been single family homes and very
3 little multi-family housing. So our region has really
4 made the transition to really focus more of the growth in
5 the urban areas.

6 In terms of our second goal in terms of
7 preserving land that these plans preserve probably
8 800,000 acres that wouldn't have happened without the
9 plans. And really at the end of the day, about half of
10 San Diego County is preserved this open space. There's
11 been a tremendous amount of progress that's been made and
12 our local governments continue to do I think a pretty good
13 job in terms of trying to make the changes to try to
14 achieve our goals.

15 One last data point here on this slide. 87
16 percent of our new housing and almost 80 percent of our
17 jobs under this plan will be within a half mile of a
18 frequent transit service. So I think that's the other
19 component in terms of trying to better connect land use
20 and transportation and give San Diegans more options in
21 terms of how they get from Plan A to Plan B. So that's
22 sort of a little bit of the evolution of where we've been
23 with our land use planning.

24 Next.

25 --o0o--

1 MR. GALLEGOS: I'd like to highlight briefly what
2 we consider a pretty effective environmental mitigation
3 program that we've developed. As you can see on this map,
4 there's around 25 different projects, totaling a little
5 over 3300 acres that we've been able to buy and put in
6 preservation. All that made possible through mainly our
7 local sales tax measure where we dedicated \$100 million.
8 Got some matching funds. These are all pieces of property
9 that will help also mitigate the transportation projects
10 that are in our plan. And so this was a pretty important
11 piece.

12 --o0o--

13 MR. GALLEGOS: We've also through this program
14 started a bunch of restoration where we restored about 157
15 acres. And one of the big things that's in front of us as
16 we expand on our north coast corridor, we have a lot of
17 sensitive lagoons we're going over. For the first time,
18 those lagoons are healthy than they've been in 20 or 30
19 years, because this program is going to allow us to do
20 that.

21 We've also worked with partners in terms of
22 figuring out if you have these preserves, how do you
23 manage them so they work? And so we've provided about a
24 eleven and a half million dollars of land management
25 grants to really assist land managers and protect species.

1 And in this case, even tracking how sensitive and
2 endangered species move from one part of the preserve to
3 the next. So a program that we think has been very
4 successful in terms of improving our coordination, even to
5 the point that -- who would have thought in January of
6 2014 that we were going to be having the red flag days in
7 Southern California? But I know we're watching for our
8 neighbors in Los Angeles as they fight wildfires. We're
9 under a red flag watch as we speak today. One of the
10 things that this program has allowed us is to better
11 coordinate to figure out how we protect sensitive habitats
12 and work at fire protection. That's what we've been doing
13 with our environmental mitigation program.

14 --oOo--

15 MR. GALLEGOS: Lastly, I'd like to in our brief
16 time here just to share what we think is an exciting
17 active transportation program. We're first -- the Board
18 adopted for the first time a regional bike network and a
19 regional plan for the entire region of San Diego. Then
20 right after that, we see seeded that with some funds to
21 really start doing the planning. And in doing that, one
22 of the things we found is very often these bike and ped
23 projects were getting lost because they cross one
24 jurisdiction to another or a particular city had so many
25 other challenges that it may not be their first priority.

1 One of the things that came out of this is SANDAG
2 has taken the lead in working with our local governments
3 to actually implement the project. So we're actually
4 building the bike and ped projects. And to do that, the
5 Board adopted early action program where we funded about a
6 \$200 million early action program that will build 42
7 projects for 77 miles of high priority projects in at
8 least ten years. In things work well, we'll do better
9 than ten years, since we're working to actively pursue
10 implementing many of those 42 projects.

11 And then lastly, our program also looks at
12 bringing the safety routes to school and our safe routes
13 to transit program and coordinating that or bringing it
14 into an active transportation system.

15 So Madam Chair and Board members, that's a little
16 bit of the progress that we've been making in San Diego.
17 Not that we're without challenges. There's still a lot of
18 challenges to get all this stuff done. But this kind of
19 highlights at least three areas where we've seen we
20 believe significant progress.

21 Thank you.

22 And now I'm going to pass the baton over to my
23 friend and neighbor Hasan Ikhrata at SCAG.

24 MR. IKHRATA: Thank you, Gary.

25 Madam Chair, Board members, thank you for

1 allowing us to speak in front of you. I want to extend my
2 thanks to you and to your staff for great collaboration.

3 I also want to thank you for making sure that I'm
4 much closer to my three brothers, the MPOs, much more than
5 375 air. And this is -- joking aside this is an important
6 thing when MPOs are representing 80 percent of the
7 population and coordinating important issues.

8 --o0o--

9 MR. IKHRATA: I'm happy to report to you the
10 progress in what happened in the last plan is actually
11 beyond what I thought we will be today speaking to you.
12 When we did the plan, we definitely did not have land use
13 authorities. They were local.

14 But I'm also to add to what Gary said, most of
15 our cities are adopting their general plans and reflecting
16 the ideas that need to be reflected. Out of \$500 billion
17 investment in the plan over the next 25 years, only 13
18 percent were allocated to highways; 50 percent of the
19 growth is in the (inaudible) area. Like in San Diego, we
20 went from 70 percent single family to 30 percent
21 multi-family to actually 30 percent/70 percent reversing
22 it in the next few. And people say, well, that's a
23 forecast. Well, yeah, but if you take the last few years,
24 you would see that and even more so.

25 I want to recognize Director Judy Mitchell who

1 sits on the SCAG Board and hears these things. But I want
2 you to know when it comes to new investment in active
3 transportation, transit expansion, Los Angeles passed the
4 Measure R sales tax, 30 billion dollars out of 40 billion
5 in the next two years will be invested in transit.

6 --o0o--

7 MR. IKHRATA: We started at SCAG a program called
8 the Sustainability Program a few years back. This time,
9 after the adoption of the plan, we actually had half a
10 million dollars allocated to this program. Ask for the
11 project from the city. Received 73 projects for \$11
12 million, \$10.4 million. We are committing to funding all
13 of it, because we think that this cities who want to do
14 when we said we're going to do with the plan.

15 As your staff Terry mentioned, we have two MOUs
16 with the County Transportation Commission and we're
17 working with the others. The transit expansion of key
18 projects has been completed. Other projects are under
19 construction. We were brave enough to talk about
20 transportation finance, even through the political reality
21 is nobody want to talk about it. We did say that starting
22 in 2025, we should have a user based vehicle miles
23 traveled. We hope that we look at that seriously in the
24 state and other western states who have demonstration
25 projects because financing is important.

1 --o0o--

2 MR. IKHRATA: It is fair to say that the progress
3 has been tremendous. I think we need to feed it. I
4 believe that all kind of changes is happening here to the
5 researchers from around the United States, that even these
6 monsters they call the minions are having different travel
7 behavior, we need to prepare for them.

8 We are at SCAG working very closely with our
9 County Transportation Commissions and cities to do
10 performance monitoring of our SCSs to look at our transit
11 and how we can get out of it.

12 And keep in mind that not everyone is going to be
13 living in high rise and not everyone is going to probably
14 stop driving. But we know that everyone can reduce their
15 travel and we though that everyone should have the option
16 of taking other modes of transportation. I think the plan
17 is leading that way.

18 And now, I'll be happy to turn it to my favorite
19 MPO in the state --

20 CHAIRPERSON NICHOLS: Oh, we have favorites now.

21 MR. HEMINGER: Good morning, Madam Chair and
22 members of the Board.

23 I clearly didn't get the memo about the blue pin
24 striped suits. I apologize to the Board for my shabby
25 appearance. I was gratified to see though on the prior --

1 BOARD MEMBER GIOIA: Just a Bay Area thing,
2 Steve.

3 MR. HEMINGER: When I go home, I do breathe
4 cleaner air than my well-healed friends here.

5 We're all here I think with the same --

6 --o0o--

7 MR. HEMINGER: -- message for you. And that is
8 that what we really need now is a partnership in
9 implementing the plans we've adopted. The way I would
10 look at it, we need to grow some roots on these plans.
11 And now is not the time to pick up a tree and move it to
12 somewhere else in the garden. And the implementation
13 challenge on these plans is considerable, not only
14 financially, but legally as well.

15 In some cases and in the case of San Diego which
16 has one lawsuit, we have four, we've got the defend the
17 plan. That's what we're doing now and spending a lot of
18 time and a lot of money on. But the implementation
19 challenge is also significant financially. And because of
20 the general constraint that we all face, that change is
21 tough. And Mike is right, we've broken a sweat. We've
22 also broken some eggs. We think that's for the good of
23 the cause.

24 This slide just shows the similarity that all
25 four of our plans have. They are all focusing growth.

1 That's what we call it in the Bay Area. As your staff
2 indicated, we have things called priority development
3 areas. And I think the important thing about our approach
4 here, the numbers are similar in terms of concentrating
5 most of the job and housing growth in these areas is that
6 we did not, as regional government, show up to the local
7 officials and say we're from the MPO and we're here to
8 help you. We asked them a question. And the question was
9 where would you like to grow. Just like San Diego, the
10 answer they gave back to us was the answer you wanted to
11 hear, which is they wanted to grow smarter. They wanted
12 to grow in places that had good infrastructure. The
13 answer they gave back to us was the core and the spine of
14 the PDAs that we eventually adopted.

15 --o0o--

16 MR. HEMINGER: Let me talk about two
17 implementation activities in particular. And these are
18 recent and ongoing. This one was just in December.

19 We adopted a new program in light of the very
20 significant capital shortfall that our plan forecasted.
21 This is something, again, that's similar with the plans.
22 We don't have enough money to take care of all the stuff
23 we've built and all the stuff we're trying to operate,
24 must less expand to cope with growth. That's one of the
25 big implementation challenges we have.

1 So in light, especially of the shortfall we in
2 the Bay Area of transit capital needs for rehabilitating
3 and replacing those systems, the Commission adopted a
4 nearly \$8 billion program to replace and expand the fleets
5 for four of our major systems. That means nearly a
6 thousand new BART cars that are already on order. It
7 means hundreds of muni vehicles, buses and rail cars and
8 in San Francisco. Quite a few buses in the East Bay as
9 well as in the South Bay as well.

10 So a very significant vote in favor of taking
11 care of that core infrastructure, which of course is
12 critical to our land use strategy. If we can't make sure
13 the BART trains and the muni trains are on time, we're
14 going to have a harder time enticing them to living in
15 those communities and talking them into using those system
16 as a way to get around.

17 Now in that nearly \$8 billion program, we are
18 counting on some cap and trade money. That's one thing
19 you can clearly help us deliver. But what I will tell you
20 is we are counting on about ten percent of that cost to be
21 covered by cap and trade revenue. So one message we'd
22 like to give you and to give the state is if you are
23 willing to invest in these plans, you are going to get
24 incredible leverage from us, in our case both federal
25 funds and bridge toll funds, to make your money go that

1 much further.

2 The other thing I wanted to touch on is something
3 I think I mentioned to you before, our one Bay Area grant
4 program or OBAG. And this is the program that we have
5 created. It's about 200 million a year. We hope to grow
6 that. But that's a pretty good sum of money the start
7 with, that we are using to really reach back to those
8 local governments who told us this is where we'd like to
9 grow. This is where we'd like to grow higher. We'd like
10 to reward that kind of behavior. And the OBAG program has
11 gone through a first round of funding. It has been very
12 successful in terms of the partnership that I think we
13 have strengthened with local government.

14 But it's not just money flowing from us to them.
15 We also had a couple of conditions to get this money. And
16 I think that has produced a really remarkable result. The
17 OBAG program requires that for a jurisdiction to receive
18 the, funds it has to have a state-certified housing
19 element. In the Bay Area, we've got 110 local
20 jurisdictions. We used to be in the '80s in terms of how
21 many certified housing elements we have. We're at 109
22 now. And the 110th is at the Housing and Community
23 Development Department we hope getting approved soon.
24 That is a sea change in terms of compliance with the state
25 law and in terms of getting everybody on board pulling in

1 the same direction. I know that in the other areas that
2 are part of this presentation similar strides are being
3 made.

4 The last point I want to make here is that OBAG
5 also requires as a condition of receiving the incentive
6 funds that each local jurisdiction receiving them adopt a
7 complete streets policy, which means when you're out there
8 resurfacing your roads, you're making accommodations for
9 pedestrians and bicycles, bike use in the Bay Area,
10 especially, and San Francisco has just exploded. It's
11 another place where I think we are really swimming with
12 the current in the stream. And not only is there a
13 greater and greater market demand for the kind of
14 development that I think we all want to see, but there are
15 also very significant demands and I think a lot of it has
16 to do with generational change for the kinds of mobility
17 options that people want to see.

18 So I thank you again for your partnership with us
19 in getting through the plan adoption. We really seek to
20 extend and deepen that partnership on implementation. And
21 I think one of the blue suits is coming up now to finish.

22 --o0o--

23 MR. MC KEEVER: A couple of words on progress in
24 SACOG region and closing comments.

25 Chair Nichols, we are happy to stay as you

1 requested until all the testimony if you want to have a
2 conversation.

3 The plan at SACOG was adopted in the spring of
4 2012. The headline was "Doing More with Less." We had
5 less money to spend than in our prior plan. We had less
6 population and growth projected in our prior plan. You
7 can imagine technically and politically that's a tough
8 lift to do a plan where you're actually pulling things
9 back from where you've already been.

10 The performance in this plan exceeded any of our
11 prior plans. Most importantly, we were able to show
12 reductions in per capital VMT and greenhouse gas
13 emissions, including exceeding the target that you gave us
14 in 2020 and meeting our target in 2035 and at the same
15 time be able to show per capita reductions in heavy
16 congestion. People who know the details of integrated
17 land use transportation planning, that's difficult to
18 achieve to make those three numbers move in the same
19 direction, the good direction at the same time.

20 We've been working on this integrated planning
21 hard for a decade, and providing reasonable transit
22 services in this region is very, very challenging. We
23 finally have found a plan that if we can implement it on
24 both the land use side and the transportation side, we can
25 look ourselves in the mirror and say we'll have a serious

1 transit system in this region that is a true viable choice
2 for the broad spectrum of the population.

3 Your staff in their comments about our plan to
4 you when we were before you before its adoption were kind
5 to give a particular shout out to our rural connection
6 strategy. That's been a great program that continues to
7 gather steam, both within our region and around the state.
8 Just a couple of months ago in the annual economic summit
9 in Los Angeles this area, there was a statewide action to
10 take that program statewide. So we're delighted to be
11 working with our colleagues around the state on that.

12 And then finally, we committed, the Board did, to
13 a particularly ambitious research program. This is in
14 part from good pressure we had from a diversity of
15 stakeholders during the process to push us to make our
16 plan even better. In many cases, we had to say we just
17 can't get all the way we'd like to in this round. But
18 we're a continuous learning organization in our mindset.
19 So we're going to be doing a lot of additional research
20 and analysis.

21 So implementation highlights, the plan itself
22 moved the needle on the funding more aggressively towards
23 a state of good repair or fix it first mentality and
24 priority then we've had in the past. And the actions that
25 the Board has taken to program funds both after the plan

1 was adopted and even while it was being -- the final
2 stages of it were being put together are really consistent
3 with that commitment. We see sharp up ticks in our active
4 transportation funding and in our transit and road
5 maintenance funding.

6 We have a full on program still going on the
7 research and data side. We've been working with our
8 colleagues to implement an open course planning tool,
9 urban footprint, which the state largely paid to create.
10 The peakest model will help us -- and our colleagues are
11 implementing this as well as to more accurately assess the
12 economic impacts and the cross impacts of physical
13 planning and the economy.

14 We have funding and active progress on expanding
15 our ability to measure social equity impacts of our
16 actions and public health impacts. And we have a
17 particular project being led actually by a Board member of
18 one of our suburban communities really looking at the
19 unique challenges of our existing suburban areas. The
20 suburbanization of poverty, things like that. Those are
21 the things that we're working 24/7 on right now.

22 We also are part of a regional consortium
23 starting to develop a climate adaptation plan for the
24 region. And as all of my colleagues have mentioned, we,
25 too, of course, are dealing with the challenges not just

1 in this region slow, agonizingly slow increase in the
2 economy, but the loss of key funds, especially for
3 redevelopment in the coming slowing of funds on the
4 transportation side.

5 People, I think it's important to just pause for
6 a moment. It's easy to say those words and then just sort
7 of move on. Okay. We acknowledge those challenges, but
8 what else can you do. These financial challenges are
9 really excruciating. We're not just saying those words.
10 We are sweating and sweating blood over these financial
11 issues and trying to make sure that we can actually make
12 good on the land use forecasts in particular that we were
13 able to make in our plan. And they are at risk. It's not
14 a self-implementing plan. We are going to have to recover
15 some lost ground in order to be able to successfully
16 deliver the benefits to our residents and to the state
17 from our -- from the good plan that the Board adopted.

18 So looking ahead to the next plan, we, too, as
19 Gary are well on our way, given the way our calendar
20 works, to doing this. Just last month, the 31 member
21 SACOG Board unanimously adopted a policy framework o
22 instruct the staff what to pay attention to in this plan
23 update. And over the umbrella was implement, implement,
24 implement. We have a good plan. We don't need to go back
25 and revisit some of the primary assumptions or fundamental

1 principles and figure out how to get this good plan
2 implemented.

3 There is surprisingly broad interest across my 31
4 bosses in this fix-it first notion. And this it remains
5 to be seen how deep this interest goes as we figure out
6 exactly what this means. But I have Board members across
7 the political spectrum putting the question to the staff,
8 tell me why given how depleted we are in our ability to
9 maintain our current system we're investing any money in
10 capacity to expand that system. That fundamental policy
11 imperative is on the table, not coming from the staff but
12 led from the Board.

13 And then this last bullet is maybe on its face
14 not too exciting, but is potentially a big deal, which is
15 not just look at what the in-state in our region is
16 projected to be in 2035, but how we get from here to
17 there. And this is a simplification and probably it's
18 going to get me in trouble. But the easiest way to
19 explain this in the growth side is the difference between
20 on one extreme growing from the inside out and on the
21 other extreme growing from the outside in. You might end
22 up in the exact same place in 2035, but the impacts that
23 you create getting there could be significantly different.
24 That's obviously true on the air quality side.

25 It's especially true on the greenhouse gas side

1 where the pollutants tend to stick around for centuries.
2 But potentially also to this road maintenance issue, that
3 if we add a lot of capacity to support growth on the edge
4 and then gradually back-fill in the infill, we may be
5 taking on more -- expanding our road maintenance deficit
6 at the front end of the plan instead of starting to draw
7 that deficit down. We are going to be looking at all
8 those issues. That's going to keep us very busy and
9 entertained over the next two to two and a half years.

10 --o0o--

11 MR. MC KEEVER: Just as a close for the four of
12 our messages to you, I don't think I need to speak any
13 more about the redevelopment, the loss of redevelopment
14 issue. We've got to find some tools to put back in place
15 to recover some of that lost ground. Same on the
16 transportation funding. The cap and trade funds, as the
17 fuels part of that kick in 2015 in particular, are going
18 to be really vital the us. The partnership we have with
19 the state in terms of assuring that if the money does flow
20 in greater quantities that the regions are actively
21 involved and we make sure that money is being spent to
22 implement these good plans.

23 On the planning and modeling, I think we're all
24 saying don't -- even though we've made a lot of progress,
25 don't get the message that we've won that battle. There

1 is still a lot of work to do in increasing the analytical
2 tools and providing support for our members in particular
3 to do the planning.

4 In close, I want to make this proposal to you.
5 And this comes from the four of us, although I do have
6 reason to hope that with a few more days this would end up
7 being a combined request to you from the MPOs throughout
8 the state. But just to be clear from now, it's from my
9 four co-conspirators here.

10 We would like to propose that under the statutory
11 requirement that you must revisit these targets every
12 eight years, that we start the process with you looking at
13 what the targets at the eighth year from inception should
14 be soon. And sooner than is required under the minimums
15 that are set in the statute. I think the presentation
16 that you heard from your staff which articulated all of
17 the parts that must be rowing in the same direction in
18 order to continue to keep the nose of this ship going in a
19 different direction, in order for that to happen from both
20 a technical analysis standpoint and from a political
21 coalescing standpoint takes time. And so we've done
22 really well with you thinking carefully about what the
23 first round of targets ought to be. And we would like to
24 start that process. I don't have a date to propose to
25 you. But we're ready to start and talk to you about what

1 that next round would look like under your statutory
2 requirement to revisit those in eight years.

3 CHAIRPERSON NICHOLS: Great. That means you've
4 enjoyed spending time with our staff so much you want to
5 keep on doing it.

6 Just in terms of people's plans for timing, let's
7 finish off with the MPO presentations. And then for the
8 stake of the Board and others, I think maybe we should
9 take a ten minute break. Our plan today is not to take a
10 lunch break, but to go from this item to the freight
11 strategy item and then wind up the day. So if nobody
12 objects, that will be how we'll do it. Go ahead.

13 MR. IMHOF: Thank you, Chair. Peter Imhof from
14 the Santa Barbara County Association of Governments.
15 You're going to hear some of the same themes from me. I'd
16 like to begin by thanking and acknowledging ARB staff,
17 Lynn Terry, Terri Roberts, John Taylor, Dennis Wade, and
18 many others who work with us throughout the process. We
19 could not have done it without them. It was a very
20 positive and constructive working relationship.

21 I'd also like to thank the Strategic Growth
22 Council, without whose dedicated funding of our process
23 through a cycle of several Prop. 84 grants we also could
24 not have done this work.

25 As it happened, the Regional Transportation Plan

1 and Sustainable Communities Strategy that the SBCAG Board
2 adopted in August and that your Board accepted in November
3 went beyond the targets that were originally set in 2010,
4 which were zero emission targets. And if implemented, our
5 plan would achieve a ten and a half percent per capita
6 reduction in emissions by 2020 and a greater than 15
7 percent reduction in per capita emissions by 2035. So at
8 least on paper and at least in our modeling environment,
9 our plan certainly embraces SB 375 and embraces the
10 State's goals of reducing greenhouse gas emissions. The
11 challenge for us is similar to that of the other MPOs.
12 The challenge is making that plan real, putting it into
13 reality on the ground, implementing that plan.

14 Our challenge, as a region, we're a small region.
15 We represent about one percent of the State's population.
16 We grow slowly, so there isn't exactly opportunity for
17 dramatic change. However, we are working closely with our
18 local government members and doing what we can to set the
19 table for future development. Our plan would focus new
20 growth over the next 30 years into existing urban areas
21 along transit corridors. It would achieve essentially
22 100 percent of new growth within those urban areas and
23 then we would strategically invest in transportation
24 improvements to support that growth pattern.

25 So just to give you a couple of concrete examples

1 of that things we're working on first on the
2 transportation side on our South Coast corridor, really, a
3 suite of integrated projects on the U.S. 101 corridor, we
4 have a new high occupancy vehicle lane under construction
5 now that would be paired with commuter rail from Ventura
6 to Santa Barbara, expanded peak hour express bus service
7 along the same route, and transportation demand management
8 in the form of employer/employee incentives and a
9 carpooling lane ride share program to supplement that. We
10 are working on a park and ride plan, a regional bike plan,
11 and a north county transit plan, which would all implement
12 the vision that's laid out in our regional transportation
13 plan and sustainable community strategy.

14 On the land use side, we are working closely, as
15 I mentioned, with our local governments to assure that
16 their housing element updates and general plan updates do
17 reflect the sustainable community strategy, acknowledging
18 and at the same time recognizing their land use autonomy,
19 but there has been measurable progress there as well.
20 Some plans that have already crossed the finish line and
21 some that are still in process.

22 Just some examples. The city of Santa Barbara
23 has adopted a new general plan that embraces smart growth
24 principles. City of Goleta has an old plan, general plan,
25 that similarly would concentrate growth within urban

1 areas. The county, through the Ivy Master Plan and the
2 Eastern Community Plan and not least U.C. Santa Barbara,
3 whose long-range development plan would provide several
4 thousand units of new housing next to what is the largest
5 employer in the county. In the north county, north county
6 jurisdiction, city of Santa Maria, city of Lompoc would be
7 looking for ways to attract new business and economic
8 development to provide high quality, high paying jobs so
9 that residents of those communities do not need to make
10 the long track and daily community to the South Coast or
11 the San Luis Obispo in the north.

12 Just a kind of small picture into what we're
13 doing now. Like the other MPOs, we need time and
14 resources to make this real now. This is very new for all
15 of us. We're excited to see what the future brings on the
16 path we're on. Thank you.

17 MS. KING: Thank you. Good morning, Chair
18 Nichols, members of the Board. Very pleased to thank you
19 for the opportunity to speak to you today.

20 My name is Terri King. I'm the Chair of the San
21 Joaquin Valley Regional Planning Agency's Director's
22 Committee. This is a Committee consisting of the eight
23 valley MPO directors, which includes San Joaquin,
24 Stanislaus, Merced, Madera, Fresno, Tulare, Kings, and
25 Kern. So they're all represented here. Most of them are

1 represented here today. We're a very diverse group.

2 In addition to our report, we'd also like to
3 thank the Strategic Growth Council for the funding they
4 provided to be used to update the San Joaquin Valley
5 models, which has allowed us to produce better and more
6 justifiable results than ever. And we continue to make
7 those modeling improvements as funding becomes available.

8 We are currently in the process of developing our
9 RTPs and SCSs and anticipate adoption of final documents
10 in the summer of this year. We have been successful in
11 coordination of the planning efforts and transportation
12 modeling, air quality, greenhouse gas technical
13 methodology, and SB 375. And we will continue this trend
14 into the future.

15 Once the RTPs and SCSs are complete, the eight
16 San Joaquin Valley MPO will shift their focus to
17 implementation of the projects and strategies included in
18 those documents. Because implementation of the strategies
19 is where the actual reduction of greenhouse gas occurs.
20 Emission occurs. And we review implementation as very
21 important to the success of our regions, as well as to SB
22 375 and AB 32.

23 Strategies anticipated to be included in
24 individual MPO SCSs include, but are not limited to,
25 increased land use densities, increased future

1 availability of higher density housing such as town homes
2 in the appropriate urban areas, increased bus service such
3 as bus rapid transit, increased opportunities for van
4 pooling and carpooling, such as the coordinate programs
5 such as Cal Vans and Commute Connection, as well as
6 increased funding for active transportation projects such
7 as bike lanes and federal projects.

8 We have followed the RTP and SCS preparation
9 review processes for those NPOs that have gone before us,
10 and we have all placed a strong emphasis on civic
11 engagement in our SCS development process.

12 Lastly, we look forward to working with you as
13 you review our individual SCSs, and we like to thank you
14 and your staff for your continued support and assistance
15 in SB 375 planning process.

16 CHAIRPERSON NICHOLS: Thank you. Okay. I think
17 at this point we will take a break. Can we be back here
18 at noon to resume?

19 (Whereupon a recess was taken.)

20 CHAIRPERSON NICHOLS: The list of speakers is up
21 on the board. The Board is ready to get moving here. We
22 know we have some people in the audience as well as on the
23 Board who have to catch trains or airplanes. So we will
24 be imposing a three-minute time limit on the speakers and
25 we'll be enforcing it.

1 We finished with the MPO presentations, and I'm
2 looking for Mike McCoy because he was the next to be
3 signed up to speak. If Mike's not here, I'll pass him for
4 the moment and go to Autumn Bernstein.

5 MS. BERNSTEIN: Good afternoon, Madam Chair,
6 members of the Board. My name is Autumn Bernstein. I'm
7 the Director of Climate Plan, a statewide network of
8 organizations working to implement SB 375.

9 Yesterday, we submitted a letter signed by 22
10 organizations ranging from NRDC to TCCRG. If you're not
11 familiar with the later, that's Tulare County Citizens for
12 Responsible Growth.

13 Collectively, our organizations big and small
14 have been working across California for the last five
15 years to ensure successful implementation of SB 375. And
16 it was really rewarding to listen to the presentations
17 from the MPOs just to review all the incredible work that
18 has happened over the last five years. And we really
19 applaud the efforts of communities, MPOs, and ARB to make
20 all those successes happen.

21 2014 is a critical year for SB 375 in two
22 important ways. First, this is your first opportunity to
23 revisit both the progress of SB 375 to date and make any
24 needed adjustments to the regional GHG targets and to the
25 methodology used both to develop the targets and to ensure

1 that the targets are being met with real action.

2 We learned a lot in the last four years and we
3 were very pleased to see staff's recommendation that we
4 should include this in your priorities for 2014 to make
5 sure we are at least putting all the information on the
6 table and having a conversation about what, if any,
7 changes need to take place.

8 It's not just about the targets though. There
9 are also methodological questions that have come up. For
10 example, what should we do when inter-regional car trips,
11 which in some regions are as much as 30 percent of the
12 total trips in the region, are not adequately being
13 accounted for in our travel models. What should we do
14 when the economic slowdown is a key factor in meeting the
15 targets. These are key questions that need to be answered
16 and now is a good time to do that.

17 With that in mind, we recommend reconvening the
18 Regional Targets Advisory Committee, or RTAC, which was a
19 really effective body of diverse experts in the field. We
20 don't think they need to come together or a full 18 months
21 perhaps this time, but maybe a couple meetings to update
22 the guidance and get their input on these important
23 issues.

24 And then the second reason this is a critical
25 year for SB 375 is, of course, the San Joaquin Valley.

1 There is a number of folks here from the valley that are
2 going to speak to the key challenges they see.

3 Quickly, I want to say it's really critical your
4 oversight role in making sure that every county in the
5 valley is taking ambitious action and we really understand
6 how target achievement is happening. There's been some
7 concerning modeling results coming out of some of the MPOs
8 in the Valley. We know they're working hard to understand
9 where the results are coming from. We want to make sure
10 that ARB is highly engaged in that process through the
11 conclusion.

12 Thank you very much.

13 CHAIRPERSON NICHOLS: Thank you.

14 Mike, sorry I passed you by. But nice things
15 were said about you.

16 MR. MC COY: Thank you very much, Madam Chair and
17 members for giving me an opportunity to speak to you for a
18 moment.

19 Unlike Mike McKeever as Executive Director of the
20 Strategic Growth Council, I only have nine bosses. I have
21 it easy, I guess, compared to Mike.

22 I wanted to preface my remarks by thanking you
23 all for your leadership, which truly now is global
24 leadership in the area of climate mate. It has brought I
25 think California enormous respect around the world. And

1 you have done an amazing job. So thank you for that.

2 I'm also grateful for the opportunity to
3 coordinate, align, and leverage the actions of nine state
4 agencies and departments in the Governor's proposed
5 Sustainable Community Implementation Plan Program, which
6 is in the currently released budget. We're excited about
7 the opportunity to build upon the previously sponsored
8 planning that the Strategic Growth Council led throughout
9 the state in terms of supporting the planning of the SCSs,
10 the model development and many, many local plans.

11 And we want to continue this and build upon that
12 history to actually bring these plans to fruition to start
13 seeing real on-the-ground achievements. We know that
14 having looked at all the sustainable community strategies,
15 there are literally over a thousand opportunities for
16 transit priority areas or priority development areas, as
17 Steve Heminger called them, throughout the state of
18 California and at least 100 of those currently have
19 specific plans on them and are ready to go.

20 So we'd really like to work with the MPOs and
21 with the nine state agencies that can leverage the funding
22 that's in the Governor's budget for this process to join
23 with the MPOs and leverage their funding and see how many
24 of these 100 plus project-ready programs we can bring to
25 fruition. So it's a very exciting time for us. And we

1 look forward to that and we look forward to working with
2 the Board in that program.

3 Thank you.

4 CHAIRPERSON NICHOLS: Thanks for coming to join
5 us. Question.

6 BOARD MEMBER GIOIA: I just had one question.

7 Clearly, the \$100 million in the Governor's
8 proposed budget to the Strategic Growth Council to help
9 implement SCS is not a lot of money. And you talked about
10 leverage. Any preliminary thoughts given that this is
11 going to go through the legislative process? Any thoughts
12 about how you see the Strategic Growth Council working
13 with the MPOs? Folks are going to want to understand this
14 and to look at alternatives.

15 MR. MC COY: This has certainly been a question
16 that we have discussed together with the MPOs for many
17 months.

18 I think that what we're trying to do is blend
19 existing granting programs in nine agencies and
20 departments which do have control over at least ten of
21 millions of more dollars and to bring to bear their
22 expertise and their understanding of the state's goals,
23 bring that funding and that expertise together with the
24 MPOs very clear vision of what the most ready pressing and
25 able investments are in a region in a manner that respects

1 their knowledge, their local knowledge, but also respects
2 the State's priorities and existing granting programs. I
3 think we have a lot of details to work out and we're
4 anxious to begin that process immediately.

5 BOARD MEMBER GIOIA: Thank you.

6 CHAIRPERSON NICHOLS: Okay. Garlynn Woodsong.

7 MR. WOODSONG: Well, hello. Thank you for the
8 opportunity to address you on this very important issue.
9 SB 375 has been a transformative event in the history of
10 planning in the state of California.

11 I'm Garlynn Woodsong with Calthorpe Associates.
12 As we work with the top MPOs in the state to deploy urban
13 footprint, we have also been using our other model, Rapid
14 Fire, in the San Joaquin Valley to provide a second
15 opinion on some of the planning efforts that are happening
16 there.

17 And I just want to raise a slight issue in the
18 San Joaquin Valley, which is that this issue of
19 inter-regional travel is very important. And it can make
20 the difference between meeting targets or not meeting
21 targets in the San Joaquin Valley. That is to say that
22 the intent of SB 375 is to tie land use and transportation
23 planning of transportation plans, as you saw, from the big
24 four MPOs that focus their development patterns around
25 transit and buttress those investments with active

1 transportation investments. That is the sort of planning
2 that you would expect to see to achieve targets under the
3 SB 375 regime.

4 However, in the San Joaquin Valley, we are seeing
5 plans which are labeled as the business as usual plans
6 achieve targets. And this is being attributed largely to
7 issues such as inter-regional travel and reduced
8 employment forecasts from the peak employment year of
9 2005, among other issues.

10 So I just want to raise this issue, not because I
11 don't think the San Joaquin Valley isn't doing excellent
12 work. They are. The San Joaquin Valley is doing a sort
13 of planning that I think previously was not seen in the
14 San Joaquin Valley. It's a transformative moment for
15 planning in the San Joaquin Valley. All of the agencies
16 that are implementing SB 375 in the valley are really
17 doing a phenomenal job of operating underneath this new
18 planning paradigm. But there are some substantial
19 technical issues that we all would like to have some
20 answers to. And at this point in time, I don't think that
21 we have a plain English narrative to help us understand
22 what those answers may be. So I would just like to raise
23 that issue. Because we would deeply appreciate your
24 assistance and guidance in trying to get to the bottom of
25 these story lines. Thank you very much.

1 CHAIRPERSON NICHOLS: Thank you.

2 Katelyn.

3 MS. ROEDNER: Good morning. I'm Katelyn Roedner,
4 the Environmental Justice Program Director for Catholic
5 Charities and the Diocese of Stockton.

6 The Diocese has convened two coalitions, one in
7 San Joaquin County, one in Stanislaus County around the
8 Sustainable Communities Strategy. We've taken it as an
9 opportunity to share our concerns specifically for the
10 poor and vulnerable populations within our counties and
11 throughout Central Valley. These coalitions consist of
12 business leaders, opportunity leaders, public health
13 advocates, education advocates. We have a widespread and
14 diverse coalitions in these counties.

15 The good news is we've had great success working
16 with the COG staff and COG boards in these counties.
17 They've been very receptive to our input and ideas, and we
18 are seeing really encouraging progress in the plans being
19 made.

20 They're taking this planning very, very seriously
21 and they are going to be releasing their plans in
22 February. And we are very optimistic to see the plans
23 that they are going to bring forward. And we're excited
24 to see what progress that we've been making.

25 And I'm hear to say today that we have to keep

1 this progress going. The coalitions would really like
2 this Board to consider updating the targets in 2014. We
3 need to keep pushing San Joaquin Valley in the right
4 direction. We're making good progress, but we need more
5 encouragement. We need to revisit these targets.

6 At the same time as we consider revisiting these
7 targets, we need to know that the models that are being
8 used are useful and accurate. Garlynn talked about this,
9 but we really need to make sure that what we're basing our
10 plans on is something that is accurate and achievable.

11 The last thing that I'd like to point out is our
12 coalitions would really love to see all counties in the
13 valley held to these standards and to be encouraged to
14 meet the targets through ambitious action. We are all
15 breathing this air. And just because, you know, some
16 counties are achieving higher, some counties achieving not
17 quite so high, it's all the same air. The people who are
18 effected by it most are the people without the political
19 clout to be here today and talk to you about it.

20 So I really encourage you for the citizens
21 everywhere in Central Valley that we hold all counties,
22 all COGs to be high standards, and we consider revisiting
23 them to continue to prove our air quality.

24 So thank you very much for your time.

25 CHAIRPERSON NICHOLS: Thank you.

1 MR. BARRETT: Good afternoon. I'm Will Barrett
2 with the American Lung Association of California.

3 I'm also here speaking on behalf of our Health
4 Professionals for Clean Air Network. We're very happy
5 with the overall success of the regional planning efforts
6 under 375 so far. We do applaud the work of the MPOs and
7 ARB staff that's gone on so far and the openness to input
8 from the public health community. A lot of the plans have
9 adopted public health goals for the first time or included
10 public health indicators for explaining how health is
11 impacted in the planning process.

12 The public health community generally views the
13 ongoing success of SB 375 as critical to expanding
14 healthier low carbon transportation opportunities, cleaner
15 air, and reducing chronic diseases like heart disease,
16 diabetes, cancers, and others that are effecting millions
17 of Californians. We are very strongly in support of
18 strong implementation of SB 375.

19 We submitted a letter along with about two dozen
20 health and medical organizations, including statewide
21 health groups, local asthma coalitions in the San Joaquin
22 Valley and around the state, physicians and ethnic health
23 organizations and environmental health officers with some
24 of the recommendations we have just for today's
25 discussion.

1 Our health organizations strongly support the
2 review of SB 375 targets in 2014 as discussed in the
3 presentation this morning. Given that all the plans so
4 far put forward plan to meet or exceed the targets, either
5 the 2020, 2035 or both targets, we think that a thorough
6 review is important to ensure that all these targets
7 really are ambitious and do as much as possible to support
8 the goals of the Scoping Plan.

9 We also think this is especially important given
10 that some of the targets were initially adopted as
11 placeholders. We had targets that were zero percent
12 decreases in emissions. And we actually had one target
13 that was an increase in per capita greenhouse gases.

14 We think a review of these targets is really
15 critical to strengthening SB 375. As some of the other
16 folks spoke about, we also recommend that the Board
17 continue to work closely to support San Joaquin Valley
18 Counties in meeting the targets, making sure that all do
19 everything they can to meet the targets. And to fully
20 understand some of the high numbers coming out of some of
21 the models that are coming forward. In their initial
22 plan, some of the models as discussed in the plan that
23 they aren't taking a process to review and understand how
24 these models are producing such high numbers. We think
25 that's really important given that even under these

1 business as usual scenarios, we're far exceeding the five
2 and ten percent targets in some places, even 20 percent or
3 more in some places. We find it isn't an important thing
4 to focus on.

5 We also want to encourage the ARB to work closely
6 with the Strategic Growth Council to ensure that the cap
7 and trade auction proceeds are expended as quickly as
8 possible to support healthier planning and projects. And
9 we want to support to the extent possible new resources
10 coming forward to help that along. We also want to make
11 sure ARB takes a role in the development of the health
12 module for the urban footprint model under the Strategic
13 Growth Council.

14 CHAIRPERSON NICHOLS: Time is up.

15 MR. BARRETT: Thank you very much.

16 CHAIRPERSON NICHOLS: Great.

17 Catherine Lyons.

18 MS. LYONS: Good afternoon. Catherine Lyons from
19 the Bay Area Council.

20 The Council has been a very strong supporter of
21 SB 375 and its very laudable goals. And we've also been
22 really active in the RTAC and the development of the Bay
23 Area's Sustainable Community Strategy over the past few
24 years.

25 While we are proponents of smart growth patterns

1 and transit-oriented development, we harbor a few concerns
2 about the feasibility of land use plans that calls for
3 almost 80 percent of new housing in infill areas that are
4 notoriously hard to develop, especially with the lack of
5 tools such as redevelopment these days.

6 As we implement these strategies and prepare for
7 the next iteration of these strategies, we urge every MPO
8 to closely track the development of these areas slated for
9 growth and address market feasibility issues as they may
10 arise.

11 While we are certainly concerned with greenhouse
12 gas reductions, in this area of housing affordability
13 crisis, particularly in the Bay Area, we also want to be
14 sure that we can build the appropriate number of units
15 throughout the region to meet the demand that is so high
16 and probably will continue to be.

17 So we hope that our plans will reflect and
18 support that goal. And thank you very much for the time
19 and consideration and for these interesting updates today.
20 Thank you.

21 CHAIRPERSON NICHOLS: Do you have any evidence
22 that there is a problem with developers not being able to
23 build the type of housing that's called for?

24 MS. LYONS: Yes. So we represent several
25 developers in the Bay Area region specifically, and the

1 feedback that we have gotten throughout the process is
2 just that -- and no fault of the MPO specifically, but
3 just because of the level of regulations unfortunately
4 with CEQA as well, infill areas are extremely hard to
5 develop in and often cost much, much more than it does,
6 you know, to unfortunately build in suburban areas. And
7 so because of that, it's become very hard and usually
8 very, very lengthy processes in order to get such projects
9 developed.

10 Of course we'd love to see more of them. But
11 that will take both new financing mechanisms I think as
12 the representative from SACOG said today, and that's
13 certainly become a huge issue for our developer members in
14 terms of figuring out the financing particularly for
15 workforce and affordable housing, and then also just the
16 infrastructure that's needed for these types of infill
17 projects. So we'd like to work with you all to make that
18 more possible.

19 CHAIRPERSON NICHOLS: Sure. Well, I mean to the
20 extent that the plans are unrealistic, then there is a
21 problem without a doubt. To the extent the plans are a
22 challenge and push us to do things to make them capable of
23 being implemented, then that's what we want. I'm not
24 quite sure which of those things is what you're saying.

25 MS. LYONS: We certainly agree with the goals of

1 the plan. And I think we just want to make sure that
2 we're building the appropriate number of housing units and
3 that just because it is so difficult to build in these
4 areas that we're not -- that that the unfortunate outcome
5 is not that we just don't build enough housing.

6 CHAIRPERSON NICHOLS: Okay. Thank you.

7 MS. LYON: That's our concern, but we will
8 continue to work with MPOs to address that.

9 BOARD MEMBER GIOIA: If I can note, there is
10 litigation in the Bay Area on this issue, and there are
11 settling discussions ongoing.

12 I do think there was a difference of opinion
13 clearly when the Association of Bay Area of Governments
14 and the Metropolitan Transportation Commission adopted the
15 plan -- I serve on ABAG, there was a belief that those are
16 all reachable goals. There is litigation and there's
17 settlement discussions. And hopefully the litigation will
18 get settled so that issue will go away.

19 CHAIRPERSON NICHOLS: Thanks for that
20 explanation.

21 Amanda.

22 MS. EAKEN: Good afternoon, Amanda Eaken, NRDC.

23 I do want to thank you and your staff as well as
24 all of the MPO staff and Board members for your commitment
25 to a successful implementation of SB 375. And I also want

1 to point that I echo Mike McCoy's comments that your
2 leadership here has global ramifications. I've just
3 learned of a program to bring some form of SB 375 to India
4 for the first time. So that's -- there really are broad
5 implications of this work.

6 I find myself in the interesting position of not
7 having to convince you of the two points I came to
8 convince you of because it seems you're on board, so I
9 want to lend NRDC's strong support to some of the staff
10 recommendations.

11 First, we support a very detailed review of the
12 technical methodology that's being used in the San Joaquin
13 Valley to achieve the targets. We're seeing some puzzling
14 results that we feel we should get to the bottom of.

15 We want to get an accurate assessment of what the
16 scenarios will yield when we get strong outcome. ARB is
17 given this critical role of reviewing the technical
18 methodology, so we're pleased to see that will happen and
19 you will engage a consultant to look at the inter-regional
20 travel issues.

21 Second, we support your recommendation to update
22 the greenhouse gas targets in 2014, of course, in close
23 partnership with the MPOs and stakeholders. We all read
24 the same reports that we are not on track to meeting our
25 2050 goals.

1 We've also seen some of the MPOs exceed their
2 targets. And really, the world has changed a bit even
3 since we set the first targets. We have new mobility
4 solutions available to us we didn't have when you first
5 set the targets. We have new technologies coming on line
6 that can help us to achieve the goes. We feel we owe it
7 to ourselves and all those watching to demonstrate what
8 can be achieved through the program.

9 We do support our MPO colleges' requests from a
10 strong support from the state in the form of redevelopment
11 and cap and trade funding to implement some of the
12 excellent work that's been done to date and you heard
13 about this morning.

14 NRDC remains a steadfast partner in this effort,
15 and we join you in celebrating the success of this program
16 to date. Thank you.

17 MR. MAGAVERN: Madam Chair and Board members, I'm
18 Bill Magavern with the Coalition for Clean Air.

19 As you heard from a number of speakers, ARB has
20 an important oversight role to play in the implementation
21 of SB 375. And we, too, urge you to update the targets.
22 For someone of my age, the meeting when you set the target
23 seems like it was just yesterday. But it turned out it
24 was back in 2010 and really a lot has changed since then.
25 And you know, eight years is far too long to go,

1 especially since 2010 was the first time the targets had
2 ever been set. So we definitely agree with the
3 recommendation that they should be updated.

4 And also that ARB should continue to closely
5 supervise the technical guidance that's given. We are
6 very active in the San Joaquin Valley. As many of you
7 know, have been for many years through our Fresno office.
8 As you heard this morning, although we've made a lot of
9 progress, we collectively over the years in cleaning up
10 the air in the San Joaquin Valley, we still have quite a
11 challenge to come into attainment and assure people there
12 of breathing healthy air.

13 This SB 375 is clearly one of the processes where
14 we need to make a lot of progress in order to meet both
15 our air quality and greenhouse gas goals. And we think
16 it's important that every county in the valley have an
17 ambitious target and meet it through methodology that is
18 very closely scrutinized and meets the highest possible
19 standards.

20 If counties are showing they can meet their
21 targets through business as usual, then they're not
22 meeting the test that Mike McKeever laid out of having to
23 break a sweat. We know the point of SB 375 is to make
24 changes happen in land use, not to just continue with
25 business as usual. So we are very concerned when we see

1 that modeling that makes it look like we can just go on
2 business as usual and that would meet the SB 375 targets.

3 A couple areas that are not directly within ARB's
4 jurisdiction, but I'll address for context, first of all,
5 we support the Governor's proposal for funding sustainable
6 communities with cap and trade auction proceeds. In fact,
7 we think we could probably usefully spend more than \$100
8 million. And we think the bulk of that funding should go
9 to the most disadvantaged communities.

10 And secondly, we all I think know that it's very
11 important that after these plans are made that local
12 bodies actually implement these plans. And that's quite a
13 challenge because it's under local jurisdiction and those
14 are all their own bodies. But right now in Fresno, we're
15 struggling just to maintain a commitment to bus rapid
16 transit that was already made and we think is essential to
17 meeting the transportation needs of that area. Thank you
18 very much.

19 CHAIRPERSON NICHOLS: Thank you.

20 Stuart.

21 MR. COHEN: Good afternoon, Madam Chair and Board
22 members. My name is Stuart Cohen. I'm Executive Director
23 of TransForm, the state's largest group focused on
24 creating walkable communities with great transportation
25 choices and largest nonprofit.

1 And we just had three comments today. Certainly
2 continue like the other speakers to appreciate your
3 leadership. And if you saw it yesterday's front page of
4 the New York Times, Europe may back-track now on some of
5 their climate commitments and may leave California as the
6 premier leader on this issue. And we're going to need
7 that leadership.

8 On the targets, I support the staff's
9 recommendation to have a brief review of the targets. I
10 also support Autumn Bernstein's idea that we don't need to
11 reconvene 18 months of RTAC meetings. As a member of the
12 RTAC, one or two might suffice. But I do think there's
13 been massive changes, including the type of models used.
14 And it would be everybody's benefit to bring some clarity
15 to where we currently are and see if updates are
16 necessary.

17 The second comment is on cap and trade. This is
18 obviously an area that, you know, we might get over the
19 next six years and beyond some real implementation going
20 from these funds. But I really hope that ARB can promote
21 the idea that if additional funding comes in during this
22 budget year, either from additional repayment of the loan
23 or for other reasons as it goes through the legislative
24 process that we look at increasing the funding for
25 sustainable communities. I think 100 million is really

1 too low once it gets distributed around the state.

2 And the other thing to do that I think you can
3 have a role in is helping the different silos that this
4 gets broken up into, like clean vehicles and freight,
5 really see how they can get integrated approaches. We
6 would love it if the \$200 million for clean vehicles and
7 freight, we look at, you know, whether any bits of that
8 can be spent for electric car sharing pods that could both
9 reduce VMT and promote green vehicles. If it could be in
10 affordable housing units that, that would be much better
11 and help to meet 535 targets. Same thing with helping to
12 green the transit vehicle fleets, helping to reduce some
13 of the transit deficits.

14 And finally, we want to put our strong support
15 behind continued investments in the urban footprint. It
16 gets lumped into models and improving the models. I think
17 it has the potential to be much more than that. It has
18 the potential to be an incredible community engagement
19 tool and to bring a lot of stakeholders onto the same page
20 and get transparency, real time feedback on how changes in
21 land use and transportation can help us to meet our goals.
22 It will especially be high impact if we can get it brought
23 down to local level, where local governments start using
24 it and creating scenarios why feed up to the regional
25 level. It will get rid of some top down nature of some of

1 the MPO modeling.

2 CHAIRPERSON NICHOLS: Thank you very much.

3 Our last speaker is Phoebe Seaton.

4 MS. SEATON: Thanks so much.

5 Pheobe Seaton with Leadership Council for Justice
6 and Accountability.

7 Just want to repeat the urgings of my colleagues
8 to review and update the targets and the models and
9 methodologies. Also repeat a lot of the praise for the
10 program to date. We work primarily in the Coachella
11 Valley part of SCAG and the southern part of the San
12 Joaquin Valley.

13 We've had more success than ever before in
14 encouraging and involving community members who were
15 before now not represented and not participating in these
16 processes to participate. And that goes -- I think shows
17 to the commitment of community members, but also
18 especially of Fresno COG and some of the other COGs.

19 That said, we still are disappointed with some of
20 the COG's lack of commitments to civic participation and
21 in spite of the vast success in meeting targets. There
22 are still at least one county that has a proposed scenario
23 that does not. And we ask the Board to hold that county
24 and the similar counties accountable.

25 One issue that has been and remains a concern of

1 ours is that SB 375 doesn't extend its Benefits to some of
2 the less populated and more rural communities and smaller
3 cities. We're working with Strategic Growth Council. We
4 also ask you to do what's in your power to make sure that
5 those benefits extend. We're very pleased that the Board
6 is committed to increasing public health goals and equity
7 through SB 375 and other mechanisms. And we need to make
8 sure that those public health and equity aims are achieved
9 in some of the smaller communities.

10 Thank you so much.

11 CHAIRPERSON NICHOLS: Thank you. Appreciate your
12 coming.

13 That concludes our list of witnesses. Now it's
14 time to come back to the Board for discussion. This is
15 not an action item. It's a report. But I think it's
16 appropriate to give the staff some feedback and guidance.
17 Start down here at end here.

18 BOARD MEMBER GIOIA: Thank you.

19 We appreciate everybody coming. I have to say,
20 you know, having served on the Association of Bay Area
21 Governments while we adopted our own SCS, you sort of
22 experience this very good state directive, state policy,
23 and then the hard work of implementing it on the ground.

24 To me, what I take away from all this is there's
25 really several levels of government that are really

1 important in making this work. Clearly, the leadership at
2 the state level, the leadership at the level of the
3 metropolitan planning organizations, and then the
4 leadership that's needed at local governments, cities and
5 counties that will actually be implementing these plans.
6 All are important.

7 Clearly, everyone's agreed \$100 million in the
8 Governor's proposed budget for SCS is totally inadequate.
9 It's a start. That's a good thing. And clearly there
10 will be hopefully more money in future years.

11 But I think it does sort of raise a few issues
12 about how we think about this, which is ensuring that
13 whatever money is available to the regions for SCS really
14 achieve multiple objectives. The reduction of greenhouse
15 gas emissions, but also the co-benefits of improved public
16 health, improving equity, economic access to sort of
17 stronger economic opportunities, because they can all
18 achieve those multiple objectives. When you have limited
19 money, right, you want to ensure that you're achieving all
20 these complimentary multiple objectives. So hopefully our
21 roll in that process will be able to articulate that.

22 And I do think there is this challenge of some
23 regions -- the issue of updating the targets. There are
24 clearly some regions that may have less aggressive targets
25 than others. So coming from a region that has I think a

1 more aggressive target, you have to give a chance for
2 those plans to work. It takes some time.

3 But it makes sense to address those regions that
4 may have less aggressive targets and how do you push those
5 further, update those targets. I think that makes some
6 sense in doing that.

7 Again, coming from a region where I think we're
8 very aggressive on targets, it's going to take time to
9 implement those plans. And I know there is not a lot of
10 political will to go back and redo the whole plan, at
11 least in the Bay Area. I can't speak for other parts of
12 the state.

13 I think this whole process brought out a whole
14 new constituency of members of the public who had a lot of
15 distrust over regional government. I think we were
16 called -- you know, people accused us of Soviet style
17 central planning. And worse, right. I mean, we were
18 obviously -- I think we had a very good public process and
19 we said this is regional planning. It's not central
20 planning. It's regional planning with a lot of good grass
21 roots input and input from local governments. But it
22 clearly has that opportunity.

23 There's been some great elected officials around
24 the Bay Area who faced potential and threatened recalls
25 over their support of this plan from regions that -- from

1 communities that were concerned. So I think we have to
2 understand the pressures that local officials face when
3 they are on the front lines of implementing these plans.
4 But the same time, we need to hold those regions of the
5 state that don't have aggressive standards to more
6 aggressive standards. There's been different approaches
7 around the state on this issue.

8 So going through my list of things I want to make
9 sure I cover, so I do think that our ability to advocate
10 and for the multiple goals and co-benefits is going to be
11 really important, because there will be some regions
12 around the state that may be more supportive of doing
13 that. Some may not. Even within each region, there's
14 varying points of view, and I think we can play a role in
15 incentivizing rising that kind of action.

16 And clearly, the ability to have this money
17 leverage other funds, as the Executive Director of the
18 Strategic Growth Council said, I mean, it's how do you use
19 whatever limited state funding there is to leverage other
20 programs, other grants, and other dollars.

21 So those are some preliminary comments I have
22 about how we think about this and go forward.

23 CHAIRPERSON NICHOLS: Thanks. And thanks for
24 your personal involvement in implementation.

25 I have to share one story that your comments

1 reminded me of, which is I was invited to go to a
2 community meeting in Stockton with the author of SB 375,
3 Senator Steinburg. I was so happy that he was speaking
4 ahead of me, because he was the one who got the question
5 from the little old lady, sweet little lady with a basket
6 that I thought contained knitting actually contained her
7 copy of the Communist Manifesto

8 BOARD MEMBER GIOIA: We heard that.

9 CHAIRPERSON NICHOLS: Well, apparently Lenon
10 believed in planning and that central planning was --

11 BOARD MEMBER GIOIA: All of us that believe in
12 planning, we're the same as Lenon I guess.

13 CHAIRPERSON NICHOLS: I know exactly what you're
14 talking about. Supervisor Roberts.

15 BOARD MEMBER ROBERTS: Thank you, Madam Chairman.

16 I just wanted to make a couple points, if I
17 could. And the people that have to work in close
18 proximity to the public on these issues are at risk often.
19 I know it took us over ten years to redo our general plan,
20 and it had nothing to do with SB 375. I would share that
21 with you. We set our principles and goals well before
22 there was a 375. And the coincidence, the largely -- the
23 goals that we established were parallel to very closely by
24 what came out in 375. So there wasn't anything in
25 conflict.

1 But there is a couple of things. I get concern
2 when I hear about setting the goals already because one of
3 the things, as you've heard repeatedly here today, is we
4 don't have analytic models that go out for 30 years that
5 are very dependable. And we're arguing about things 30
6 and 40 years away. And yet, our modeling is, I would say,
7 very suspect after five years, let alone 10, 20, 30 years
8 out. So I think we have to be cautious.

9 And we just started this. We have numerous
10 lawsuits going, and now we're talking about changing the
11 rules. It seems to me to be just a bit premature. And
12 I'd like to get some feedback because we're making major
13 changes.

14 And you haven't set that -- it's easy to say
15 let's build more public transit. But let me share with
16 you we've been working for over ten years in extending our
17 light rail. There's no state funding available. None.
18 Zero. There is -- the federal government now this year
19 will be no new starts money available. And we have the
20 local money, but we need to get that supplement to make it
21 all work. And there's a strong desire to do these things.
22 Nobody is forcing anybody. We want to do these things.

23 The funding -- it seems to me one of the things
24 we have to do, we have to look closing at the cap and
25 trade money. There has to be some kind of performance

1 element. I wish the staff would look at all the different
2 areas and things out there being proposed for funding.

3 What's going to give us the best return on our
4 investment? By that, what is going to do more to reduce
5 the greenhouse gases? For every dollar we spend, I mean,
6 I hear ideas that are preposterous in terms of -- they're
7 going to have very little benefit to us. And we're going
8 to be spending a lot of money on those.

9 We really do need to stay focused and we tend to
10 forget that. The reason why we've had success over so
11 many years is we've been able to stay focused, quantify,
12 use science to the fullest extent possible and get the
13 results we want. That's the improvement in the air
14 quality, which gives you all the collateral benefits that
15 we want to see.

16 So I would say that we really need -- there's two
17 things that I heard very clearly from the MPOs: The
18 implementation funds, okay. I think there may be
19 different projects in each area. But hopefully, there's
20 some standards that we start to develop. So even within
21 an area, we know that the dollars are going to something
22 effective. I think largely that's why we had a failure of
23 redevelopment in this state. There was no standard for
24 where the money was going, and it was just going in all
25 haphazard ways.

1 But now we're at a situation here where we have
2 potential dollars that could be used and could be used in
3 a very effective manner. And we should be looking at,
4 just as we did with air pollution, the dollars per ton was
5 always a criteria that we were looking at. Why spend \$100
6 to remove a ton of pollution when we had projects that we
7 could do it at 15 to \$20 per ton? Let's make these
8 dollars just as effective, instead of reaching out in a
9 haphazard way.

10 Secondly, the planning, the modeling, assistance,
11 I think there's probably regional differences. But I
12 suspect this is going to be analytical tools that are
13 there today don't measure up to the planning that we're
14 trying to do. And I think to some extent, especially as
15 you get in the out years where we have some lawsuits and
16 other things where people are pointing to numbers, those
17 numbers don't have a whole lot of meaning. What really is
18 more critical is that we keep a commitment over this
19 period. And we review as we're doing every few years.
20 Where are we? How are we doing? What can we do
21 different?

22 I'd like to get through that first batch of
23 reviews before we start talking about we've had so much
24 success we're going to change the rules again. Let's find
25 out where we are. Let's see if we can get some help on

1 implementing and then the technical assistance that's
2 going to be needed. I know we need it in San Diego.

3 Our best efforts are still not getting us what we
4 need in terms of the tools. We've got to work towards
5 that. But any assistance we can get, maybe there is
6 commonality in that. And all the districts can agree on
7 some modeling techniques and develop more advanced
8 modeling techniques that we have today.

9 So I'd hear that message that's out there. And
10 by the way, I just share with you once we decide to hear
11 something good, we have a great opportunity in San Diego
12 the do these high density transit-related projects.
13 Sometimes you walk into a neighborhood and they don't
14 share your enthusiasm. I mean, we have a potential and
15 you go out and -- wait a minute. You're going to put that
16 next to my single family house? We'll kill you and all
17 your kids. We don't want that. Not in our neighborhood.
18 We don't care what the State says.

19 So there are other problems of implementation,
20 but I think the emphasis on creating public transit
21 systems and for the state to be a participant in that is
22 absolutely of the highest importance, the infrastructure,
23 the buses, the trolleys, the equipment. And we have
24 provided, in our tax measures, we provided -- we passed
25 two by two-thirds maturity sales tax increases. And we

1 have operating dollars that we put into to -- what is
2 allowed, not just capital. So we've got operating. But
3 it's still extremely difficult to build these new systems
4 without participation by the State or the federal
5 government.

6 CHAIRPERSON NICHOLS: On this end, I'll start at
7 the far end here.

8 BOARD MEMBER SERNA: Thank you, Chair.

9 There obviously has been some concern expressed
10 maybe mildly so about updating numbers sooner rather than
11 later.

12 One of the things I haven't heard from too much
13 from staff about, but I heard from at least the director
14 of our MPO here in Sacramento about is the things that are
15 not in our control as an agency or under the control of a
16 local COG, one of which I think is absolutely critical is
17 the timing and delivery of the regional housing numbers.
18 That in large part is considerable input into whatever
19 growth model an MPO might be using.

20 What are we doing at the staff level to perhaps
21 enhance the ability to work more seamlessly with the MPOs,
22 understanding when their schedules are, when they get
23 their housing needs assessment information because those
24 are really going to be, in addition to unemployment
25 numbers, job projections what is driving the growth

1 modeling. And I think that's something that if we're not
2 giving it the thought now, we ought to be doing it
3 relative to any kind of consideration of updating numbers
4 whether it be four years, eight years. That to me is
5 critical.

6 CHAIRPERSON NICHOLS: Terry, do you have a
7 response to that? Anybody?

8 MS. ROBERTS: One of the purposes of SB 375 was
9 to try to bring closer together or to reconcile some of
10 the timing issues between RTP updates and housing
11 planning. With an adopted SCS, the timing for the
12 compliance is eight years rather than the previous five.
13 And from what I know of SCAG's situation, for example,
14 there has been a syncing, synchronization of the schedules
15 to that in the SCAG region they did have the RNA numbers
16 in time to plan ahead for their SCS.

17 BOARD MEMBER SERNA: Thank you.

18 CHAIRPERSON NICHOLS: Okay. Ms. Mitchell.

19 BOARD MEMBER MITCHELL: Thank you, Chair.

20 And as many of you know, I'm from the South Coast
21 region, and that includes Southern California Association
22 of Governments. And that's I believe the largest MPO in
23 the nation. Six counties -- I mean, half the state's
24 population is in the SCAG region. So you can imagine the
25 challenges are quite immense.

1 And we look at combining under SB 375 housing and
2 transportation. And of course, the challenge is then
3 two-fold. Transportation funding, that's one pot of
4 money. And the other pot of money is the planning for
5 housing and placement of housing.

6 I was very surprised to learn in the course of
7 planning for our recent regional transportation plan that
8 the funding for transportation in our region came from the
9 federal government in the amount of only 11 percent. Very
10 small percentage comes from the federal government. We
11 had the success of passing an L.A. County sales tax
12 measure which provides some funding for transportation
13 from sales tax. And other counties I know across the
14 state and in the region have done that.

15 So funding is absolutely critical to the success
16 of SB 375. We also saw shortly after the passage of SB
17 375 the loss of the redevelopment fund mechanisms, which
18 was the way we were going to connect housing, low income
19 housing, and transportation. And so I know there are some
20 bills that have been brought forward in the Legislature
21 and are going forward in the next year that will bring
22 back some mechanisms to replace redevelopment. And I
23 think that's critical. I'd like our staff to work with
24 the Legislature on some of those issues.

25 The other thing is that technology is developing.

1 I mean, we are seeing new things every year. And some of
2 you probably saw reports that came out of the auto show in
3 Detroit last week where they were talking about cars that
4 do not need a driver. And I don't know where that will
5 go. But that is certainly transformational and makes a
6 huge difference in what might come in the future. So for
7 that reason again, I think review, review, review of
8 everything we do. Reviewing these targets is a good idea.

9 We may, as we move forward with all these
10 programs that are new, these are new to our state.
11 They're new to the world to a large extent. And the
12 success of them depends upon monitoring and review what we
13 are doing. Let's see where we have had successes. What
14 might need to change. Where we're going in the future.

15 I would not reset the targets in the state
16 because many of the plans haven't been implemented. In
17 fact, San Joaquin Valley is just in the process of setting
18 its targets. And so we need to give some time for these
19 to percolate and to see how they work.

20 But I do advocate strong review of what is
21 happening now and what the success is as we move forward
22 in the next few years. In 2016, we will be doing a new
23 RTP SCS and a new AQMP in the southern region. And I
24 think that is kind of a date to look forward to. And then
25 we have to set new targets here at ARB by 2018. So we can

1 kind of look at a time progression there and plan along
2 that time line as to how we move forward.

3 I do think it's a good idea to begin assembling a
4 group like RTAC. I don't know if it would be the same as
5 RTAC. But RTAC was unique in that it brought forward
6 representatives from local communities that was essential
7 because there was the claim that, hey, you're taking away
8 local control. But RTAC had an intent of putting local
9 control back into the process. Let's get local
10 representatives. That I would strongly advocate that we
11 either reassemble RTAC to look at this or a group like
12 RTAC that represents different sectors and local control.

13 So those are my thoughts on how we might move
14 forward on those. No new targets now. But review,
15 review, review to see what is needed. Thank you.

16 CHAIRPERSON NICHOLS: Professor Sperling.

17 BOARD MEMBER SPERLING: So I have one comment and
18 three suggestions.

19 The first comment is about this benefits that
20 Supervisor Gioia brought up and Supervisor Roberts
21 followed up on. And what brings those together is the
22 idea, yes, there's all the co-benefits that in many ways
23 are probably far more important than the carbon
24 reductions. But the one benefit that's not been mentioned
25 is the reduction in infrastructure cost, because we're

1 creating a more efficient system. The SCAG SCS, as I
2 recall, quantified that. It was in the billions of
3 dollars. And so that's really a way -- one of the most
4 best ways of selling this whole process.

5 And I just want to make sure everyone keeps that
6 in their mind. I mean, sustainable also includes less
7 cost for the infrastructure system.

8 So three suggestions. The RTAC, I'm sympathetic
9 to revising it in some way, probably as an informal
10 commission so we don't get caught up in all the rules
11 about it and also give it a little more flexibility. I
12 think the mission of it is to exchange data and
13 experiences. And perhaps more important is to explore
14 these opportunities for this next round of funding that's
15 needed. And I'm talking way beyond cap and trade
16 revenues. And I'm going to talk about that in a moment.

17 A strong thought I have is something that was not
18 mentioned at all here that I think is one of the most
19 important strategies that should be pursued -- Amanda
20 Eaken just mentioned it in passing in her comments -- and
21 that is there is a storm of innovation going on in
22 transportation now using information technologies. And
23 there are so many new types of mobility opportunities and
24 options that are coming into play. There is a lot of
25 start-up companies. There are a few likes ZIP car sharing

1 that has been very successful. They got bought out by
2 AVIS. They've gone main stream. But there's a whole lot
3 of other of these car start-up companies. And we're
4 talking about spending all these billions and billions of
5 dollars for transit. And transit is very important --
6 plays a very important role. But it only accounts for a
7 few percent of our passenger travel.

8 And if we're really talking about a big reduction
9 in single occupant vehicle use, a big reduction in VMT,
10 this has to be the principle number one strategy for doing
11 it. And there are a lot of innovative things already
12 happening. I know in the Bay Area, there's a company
13 coming into existence that's going to provide shuttle
14 services around the BART station on a real time basis.
15 Even for rural areas in Kansas, I know a case where a
16 small city in Kansas basically rural where people have --
17 they've created a little organization where you can get a
18 ride through ride sharing using Internet type services
19 on -- again on a real time basis.

20 So this works not just for the big cities but
21 also for the rural areas. There's so many opportunities
22 that's being ignored. And the PUC just created a
23 regulatory framework for these companies. So I would
24 really, really emphasize the importance of that.

25 The other really big point that I want to

1 emphasize is infrastructure spending or just spending and
2 financing as every single MPO director and many others
3 said for this to be successful, there has to be funding
4 streams. It doesn't mean more money. It means using
5 money better and differently.

6 For instance, the State has I believe something
7 like \$50 billion it's spending on mostly road
8 infrastructure over the next few years. Now, there are
9 opportunities to restructure and use it a little
10 differently than has been done in the past. I know
11 there's, you know, movement in that direction. But maybe
12 we can do this even much better. And we can reinforce the
13 lesson we learned from the SCAG SCS where we can save
14 billions of dollars and create a more sustainable cities
15 and sustainable transportation system.

16 And kind of let me leave it at that. Kind of
17 something that we really need to -- so this is not an ARB
18 mission. Certainly, ARB can't do this. But it's this
19 whole community of people. And so I just want to heighten
20 that thinking. And for the revived RTAC. This can be one
21 of the issues that it addresses in a more informal way
22 just to appreciate the leveraging opportunities, shifting
23 how funding can be shifted around. There's a lot that can
24 be done. Thank you.

25 CHAIRPERSON NICHOLS: Okay. This is not an

1 action item today. The staff is going to review whether
2 to set a new target. They have not made a decision to set
3 new targets or not. Obviously, we heard conflicting
4 advise on that. Some of it varies by where you are within
5 the state and also by what your vantage point is on the
6 issues.

7 This will come back to us before there is any
8 proposal to reset the targets. So I expect we're going to
9 hear again in the fall on what the staff is going to
10 recommend with regard to setting the targets.

11 I do want to say something, however, about this
12 investment point. And I embrace and agree with
13 Dr. Sperling's comments. But I just want to add something
14 to it, which is if you look at the budget that the
15 Governor has submitted, it's with respect to the cap and
16 trade fund, which is otherwise known as the greenhouse gas
17 reduction fund. It's very clear that proposal follows the
18 investment plan, which this Board reviewed and which was
19 intended to set priorities for where new money could be
20 spent most productively to reduce greenhouse gas
21 emissions. By law, that money must be spent on things
22 that support the goals of AB 32. So even if we wanted to,
23 the state could not legally and they would be stopped in a
24 heartbeat, spend the money on things that don't benefit
25 greenhouse gases.

1 The priorities within the budget are
2 transportation first, because that's what generated the
3 most emissions, followed by electricity in general,
4 followed by natural resources as kind of the major areas.
5 And they're proportional to their importance here.

6 Within those major categories, there is some room
7 for things to be adjusted, without a doubt. And I think
8 that one of the issues that we are going to be facing and
9 it's already been signaled is whether money can be spent
10 on things whose benefits may be realized after 2020, which
11 would include almost any transit -- new transit investment
12 you could make, as well as things like high speed rail,
13 which we are not going to be debating here at least not
14 today.

15 But what I do want to say about that is that when
16 we looked at investments, we, staff and the Board, I think
17 were pretty clear that we're looking to not just the
18 quickest short-term bang for the buck, but also at how to
19 spend a completely new source of money in a way that would
20 accomplish things that might not be able to be
21 accomplished through other goals.

22 So, you know, while all of us would love to be
23 able -- I shouldn't say all of us. I think many of us
24 would like to be able to replace the funds that were lost
25 from the abolition of community redevelopment money, for

1 example, which was such an important tool for local
2 governments to use, that's not going to happen. This is
3 not the replacement for that fund. And we are just going
4 to have to make sure that we get as much as we can out of
5 it that will help local governments see ways to find more
6 funds.

7 But I think it's -- the point that Mayor Mitchell
8 made is one that I think many people do not realize, which
9 is that the funding nowadays for transportation instead of
10 being federal, state, local, is now local, federal, state.
11 And there's just not -- I mean, the local governments are
12 the ones who are really being put to the test to do all of
13 this. And so what we have to do is to try to figure out
14 how to be as helpful as we can. Okay.

15 Thanks, everybody, for this.

16 And now we move to be related but not exactly the
17 same subject, which is freight. On this one, we do have a
18 proposed resolution. So I want to make sure Board members
19 are focused on the fact that the staff is asking for
20 direction.

21 The Air Resources Board has been talking about
22 this issue for quite some time now, and I'm sure many
23 people have been wondering where we were and what was
24 coming next on this issue.

25 As many people will recall, this was the topic of

1 our symposium this year in Long Beach, and we've had
2 various briefings on the topic. But I think staff is
3 ready to talk to us about how they see moving forward on
4 this issue.

5 Clearly, we need to get significant reductions to
6 meet our air and climate goals. And this is certainly one
7 of the sectors which is a big contributor and which needs
8 to be addressed. But equally clear is that this is not
9 going to happen in a haphazard way. It couldn't be done
10 piecemeal, and it can't be done without a very strong
11 relationship to economic development and to changes that
12 are going on within this sector from a business
13 perspective.

14 So the sustainable freight strategy is intended
15 to be a process for us to identify some priorities and to
16 work effectively with our partners, not only the industry
17 and local government, but also other agencies as well.

18 So with that, I see everybody is assembled. And
19 so I will turn to the staff presentation.

20 Are you going to introduce this one, Mr. Corey?

21 EXECUTIVE OFFICER COREY: I will briefly.

22 You really encapsulated both the process and
23 stakeholder engagement that will be critical.

24 Progress is already being made across California
25 to reduce freight impacts through regulations, incentives,

1 enforcement agreements, important industry initiatives,
2 project mitigation, and land use decisions.

3 These efforts have resulted in the 70 percent or
4 more reduction in risk at the largest ports and about 50
5 to 70 percent reduction in risk at the highest risk rail
6 yards since '05.

7 But more is needed to reduce the impacts
8 remaining given the remaining levels, including diesel PM
9 at local level, ozone at regional level, and greenhouse
10 gas emissions as well.

11 Developing and implementing sustainable straight
12 system with pathways to zero and near zero emission
13 technology is key to our air quality and climate goals to
14 promoting California's economy and to protecting the
15 health of communities impacted by freight activities.

16 The sustainable freight initiative is a broad
17 multi-decade effort to cultivate, fund, and implement the
18 changes necessary to achieve a sustainable freight system.

19 With that, I'm going to turn it over to Karen
20 Buckley to give staff presentation.

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

23 MANAGER BUCKLEY: Thank you, Mr. Corey. Good
24 afternoon, Chairman Nichols and members of the Board.

25 Today, we are taking the next step toward our air

1 quality and climate change goals by recognizing that
2 achieving our long-term environmental and health
3 objectives is best accomplished in the context of
4 system-wide change.

5 In the freight sector, this means a move towards
6 a more sustainable freight transport system. ARB is one
7 of many stakeholders in this process. Part of our
8 challenge is to improve the effectiveness of our
9 participation in all of the existing forums.

10 --o0o--

11 MANAGER BUCKLEY: What is the current freight
12 transport system that we are talking about? At its core,
13 it is an integrated multi-modal system designed to move
14 freight across the globe and across the state. The
15 freight logistics industry in California is a significant
16 contributor to our economy and jobs.

17 From the air quality perspective, our interest is
18 in reducing the pollution that comes from the system. We
19 are focused on both domestic and international emissions
20 that encompass the full range of equipment operating on
21 land, sea, and air through the facilities listed on this
22 slide.

23 --o0o--

24 MANAGER BUCKLEY: Emissions from the freight
25 system contribute to multiple types of air pollution

1 impacts. ARB's own work on health risk assessments showed
2 high cancer risks near the largest ports and rail yards.

3 For the 2005 calendar year, we estimated health
4 risks in the range of a couple hundred in a million up to
5 2500 in a million. We know that the emissions from these
6 sources also contribute to regional air pollution problems
7 as well as global climate change.

8 --o0o--

9 MANAGER BUCKLEY: Many Californians have taken
10 steps to significantly reduce pollution from the freight
11 system. Impacted community, the logistics industry, and
12 air quality agencies, and the ports have all engaged in
13 this effort using regulatory, voluntary, and
14 incentive-based approaches.

15 This Board has adopted over a dozen rules that
16 are reducing emissions from fuels and equipment across the
17 freight sector.

18 --o0o--

19 MANAGER BUCKLEY: Actions to date are projected
20 to achieve the significant statewide reductions between
21 2000 and 2025 that you can see on these charts.

22 We anticipate additional emission reductions over
23 the next ten years as a result of regulations already in
24 place. In addition to statewide progress, our collective
25 efforts have significantly improved air quality in the

1 highest risk communities affected by freight transport.
2 Since 2005, we have cut diesel PM emissions by 70 percent
3 or more at the major seaports and by 50 to 70 percent at
4 the highest risk rail yards across the state.

5 --o0o--

6 MANAGER BUCKLEY: Where do we stand today?
7 Freight equipment accounts for approximately 70 percent of
8 the statewide diesel PM emissions, which are both a toxic
9 air contaminant and a component of black carbon that is a
10 powerful short-lived climate pollutant.

11 Freight operations also account for 45 percent of
12 the statewide NOx emissions and ten percent of the
13 statewide greenhouse gas emissions. Even as equipment
14 turns over to cleaner engines, freight will continue to be
15 a significant contributor to California's regional ozone
16 and fine particulate challenges.

17 --o0o--

18 MANAGER BUCKLEY: Before we talk about the
19 development of a longer term sustainable freight strategy,
20 I would like to be clear that we are continuing the
21 progress to further reduce emissions and health risks in
22 communities located around these freight sources. A
23 number of the Board's diesel rules have major compliance
24 milestones as of January 2014, including the requirement
25 that 50 percent of regulated ship visits plug into

1 electrical power while those ships are at berth. As the
2 Board is very aware, there are also major milestones to
3 clean up the on-road trucking fleet this year, with the
4 focus on reducing diesel soot.

5 We will continue to focus on the impacted
6 communities and look to expand our cooperative agreements
7 with other partners to increase the enforcement
8 capabilities. There are also funding opportunities with
9 ARB alone allocating over \$100 million in incentives that
10 are going out the door for cleaner trucks this year
11 throughout the hard work of the local air districts.

12 In addition, our partners led by the South Coast
13 Air Quality Management District and the ports are
14 demonstrating cutting edge technologies that will set the
15 stage for the next major advancements. This includes not
16 only zero emission trucks, but also more specialized
17 equipment like the hood or bonnet technology developed for
18 locomotives and ships. All of these activities will
19 further our progress, but they do not go far enough to
20 meet our ultimate goals.

21 --o0o--

22 MANAGER BUCKLEY: We know that we need to be
23 looking at freight equipment with zero and near zero
24 emissions to address local health risk, regional ozone
25 standards, and greenhouse gas goals. But we also know

1 that there are other critical drivers behind the
2 discussions surrounding system-wide changes in the freight
3 system. California's need to increase its energy
4 security, economic competitiveness, and mobility are
5 priorities and must be addressed at the same time for real
6 change to occur.

7 --o0o--

8 MANAGER BUCKLEY: I would like to highlight two
9 symposia held last year that set the stage for the
10 sustainable freight effort.

11 --o0o--

12 MANAGER BUCKLEY: In April, the South Coast Air
13 District in cooperation with other agencies, hosted a
14 symposium to discuss emerging zero emission technologies,
15 their potential applications within the freight system,
16 and highlights of ongoing demonstrations projects.
17 Technology in ARB's forte, but technology advancements
18 alone will not meet California's needs.

19 --o0o--

20 MANAGER BUCKLEY: The freight system is much
21 bigger and more complex than that. As ARB staff, we
22 recognize that both of our knowledge about how business's
23 make shipping decisions and our authority to implement
24 change within the freight system is limited.

25 Last year, ARB in cooperation with business,

1 ports, transportation, and community partners, hosted the
2 Haagen-Schmit symposium. Over 80 leaders from across
3 California, including some of you, came to talk about the
4 needs to improve the freight system and what a sustainable
5 freight system might mean.

6
7 --o0o--

8 MANAGER BUCKLEY: During the three days of
9 discussion, we heard arguments on the importance of a
10 broad, collaborative, and transparent stakeholder
11 engagement process, with the ultimate goal characterized
12 as meeting the triple bottom line, a freight system that
13 achieves economic, environmental, and community benefits.
14 Participants recognized the difficult issues on the table
15 and the need to start the statewide dialogue now.

16 --o0o--

17 MANAGER BUCKLEY: CalTrans has begun this process
18 with its development of a freight mobility plan for
19 California. The sustainable freight strategy we are
20 discussing today is complimentary and will provide input
21 to the ongoing Caltrans planning.

22 --o0o--

23 MANAGER BUCKLEY: When we have talked about this
24 effort, the first question we usually hear is, "What do
25 you mean by a sustainable freight strategy?" Everyone has

1 a slightly different idea based on their priorities and
2 interest, but it is a question that California needs to
3 collectively answer.

4 Our starting point comes largely from what we
5 heard at the symposia and are continuing to hear from
6 stakeholders. The system must be efficient and clean to
7 support our air quality, health, and climate goals. It
8 must be reliable, provide additional capacity to meet
9 anticipated demand, and maintain global competitiveness of
10 California's logistics system.

11 --o0o--

12 MANAGER BUCKLEY: This slide lists the key
13 elements in our work plan for 2014. The results of this
14 work will be described in a strategy document to be
15 presented to the Board at the end of this year.

16 --o0o--

17 MANAGER BUCKLEY: One of the major elements for
18 this year is our continued engagement with the diverse
19 interests who must be part of the conversation and
20 ultimately the advocates to secure funding for
21 implementation. This slide shows the breadth of interests
22 for stakeholders.

23 --o0o--

24 MANAGER BUCKLEY: A key question is how can ARB
25 most effectively participate in a productive dialogue with

1 these stakeholders? We listen to advice from many of
2 these groups and considered the lessons we learned from
3 the state's goods movement ac plan, a joint transportation
4 and environmental initiative.

5 We believe small focus groups are vital to ensure
6 frank and open discussions. In addition, much of our
7 proposed approach centers around the conversations that
8 are already happening. We plan to increase our
9 participation at existing community forums and are looking
10 to the California Cleaner Freight Coalition to help
11 identify these opportunities. In terms of large advisory
12 committees, ARB participates on the California Freight
13 Advisory Committee. The CalTrans Chair is providing a
14 standing agenda item for ARB to discuss the sustainable
15 freight strategy work. Of course, we will also host
16 workshops to discuss and receive feedback on technical
17 analyses, policies, and recommendations for actions.

18 Another significant element of the freight
19 strategy includes the outcome of technology assessments
20 that will focus on trucks, locomotives, ships, cargo
21 handling equipment, harbor craft, aircraft, and the
22 freight facilities where they operate. The teams will
23 include ARB staff as well as some of our agency partners.

24 --o0o--

25 MANAGER BUCKLEY: One of the additional

1 components of these technologies assessments is a well to
2 wheels emission analysis. For the most promising
3 technologies and fuel combinations, we will evaluate the
4 emissions impacts from the energy source to the tailpipe,
5 from the well to the wheel, or in the case of ships, from
6 the well to the hull.

7 For example, in the public discussion on the
8 update to the Scoping Plan, one question has been what is
9 the role of natural gas as a vehicle fuel in the future?
10 Natural gas trucks and equipment have the ability to
11 achieve very low tailpipe emissions of some pollutants,
12 but they are unlikely to reach zero emissions.

13 Electric or fuel cell trucks may have zero
14 tailpipe emissions, but the productions of these fuels
15 requires energy and creates emissions upstream. Depending
16 on the source, the upstream emission of natural gas may be
17 less than the upstream emissions to generate electricity
18 or hydrogen. The well to wheel analysis will allow an
19 apples to apples comparison of the emissions impacts of
20 different vehicle fuel combinations. This activity is an
21 essential task to inform performance-based emission
22 standards, a theme from the Haagen-Schmit Symposium.

23 --o0o--

24 MANAGER BUCKLEY: One way to get reductions is
25 through cleaner equipment and fuels. The other way is to

1 focus on efficiency improvements. Transportation planners
2 measure efficiency in the freight system in many ways,
3 such as velocity or speed. What we do not have yet is an
4 established way to look at the performance of the whole
5 freight system relative to emissions.

6 The effort we are proposing to begin this year is
7 to develop a metric or indicator that can be used to set
8 goals and track California's progress in reducing the
9 emissions associated with moving freight. For example, a
10 metric of this type could seek to capture the pollutant
11 intensity per unit of freight moved. We also believe it
12 is important to ask what government can do to support
13 private actions that increase efficiency.

14 --o0o--

15 MANAGER BUCKLEY: The next two slides introduce
16 ARB's efforts to engage and participate more effectively
17 in areas where we do not have regulatory authority,

18 ARB proposes to develop principles and criteria
19 in coordination with Caltrans for input to the California
20 Freight Advisory Committee and inclusion in the 2014
21 Freight Mobility Plan. The objective is to raise the
22 profile of air quality considerations early in the
23 transportation planning process.

24 --o0o--

25 MANAGER BUCKLEY: Just as transportation project

1 decisions have a long-term impact on the freight system,
2 so do decisions on the development of new freight
3 facilities that will operate for decades.

4 Recent ARB comment letters on proposed facilities
5 have stressed the need for each to be built and operated
6 in a way that sets a new benchmark for environmental
7 leadership in California. ARB's efforts in this area are
8 intended to provide principles and criteria as a resource
9 for local decision makers.

10 --o0o--

11 MANAGER BUCKLEY: The strategy document that we
12 are developing this year will include a set of recommended
13 actions for ARB and other public and private stakeholders
14 to take over the next five years to move us down the path
15 towards a sustainable freight system.

16 For example, we expect the technology assessment
17 and efficiency work will yield recommendations for
18 additional research and practical technology
19 demonstrations. Our work with Caltrans and others will
20 result in policies for freight transportation projects and
21 freight facilities. And of course, ARB and the air
22 districts will identify what new regulations are needed.

23 The strategy will begin to define the investments
24 needed to develop advanced technologies, infrastructure,
25 and efficiency improvements. It will also examine more

1 innovative mechanisms to incentivize the use of zero
2 emission equipment and the associated infrastructure.

3 We will follow the lead of the Southern
4 California Association of Governments, which included a
5 robust analysis of financing in its 2012 regional
6 transportation plan.

7 We will also be looking at actions that ARB or
8 other government agencies can take to spur more industry
9 participation and efficiency improvements. With each of
10 the actions, the strategy document will identify the who
11 and the when so there is a clear path and milestones.

12 --o0o--

13 MANAGER BUCKLEY: This slide represents our time
14 line for the next 11 months. It highlights stakeholder
15 engagement beginning now, targets summer as the milestone
16 for the initial deliverables, and the end of the year to
17 bring this back to the Board.

18 --o0o--

19 MANAGER BUCKLEY: A sustainable freight system is
20 a high priority for ARB and a critical step to help meet
21 the Board's air quality and climate goals.

22 Staff is asking the Board to consider Resolution
23 14-2, which would frame the issue, provide direction on
24 the scope and effort and guide staff's work throughout the
25 course of 2014.

1 Thank you for your attention.

2 CHAIRPERSON NICHOLS: Thank you very much. As I
3 understand it, we have several of our key partners here
4 and we were going to invite them to speak before we engage
5 in discussion or hear from the public on this one. But I
6 notice that one of them is not here. Did Hasan have to
7 leave? He's gone. Never the less, we will start off with
8 Kate White.

9 Kate is the Deputy Secretary of Environmental
10 Policy and Housing Coordination with the California State
11 Transportation Agency. When we talk about the multi-modal
12 freight transportation system and stakeholder engagement,
13 the California State Transportation Agency and Caltrans
14 are obvious focal points, particularly now as the
15 California Freight Advisory Committee, run by Caltrans, is
16 in full swing and developing a Freight Mobility Plan this
17 year. They are already preparing for the California
18 Transportation Plan next year.

19 So this is a key partnership, and we need to make
20 sure that the timing and processes work with each other.
21 So welcome, Kate.

22 MS. WHITE: Thank you so much, Chair Nichols and
23 Board members. I appreciate the opportunity to speak with
24 you today. And I also wanted to acknowledge Bruce DeTera
25 right here on my right with Caltrans, who is our Office

1 Chief for System Freight and Rail Planning.

2 So one thing -- I appreciate the staff
3 presentation. I was glad to hear a little bit more about
4 the direction for the sustainable freight initiative. And
5 just a little bit of context. When we talk about
6 California and freight, what are we talking about? And
7 California is home to three of the five busiest seaports
8 in the nation and shares a border with its largest trading
9 partner.

10 California handles more than 40 percent of all
11 cargo entering the nation. So goods movement is
12 intertwined with every aspect of California's
13 transportation system. Whether we're talking about
14 highways, runways, waterways, railways, it moves through
15 every part of region of the state. So therefore,
16 California must take a statewide integrated approach to
17 goods movement, and we are actively working towards to
18 achieve this goal.

19 You may know legislation passed in 2013, AB 14
20 Lowenthal which statutorily established the California's
21 first ever Freight Advisory Committee that was mentioned
22 several times. And the Air Resources Board serves on
23 that. That's a 75 person stakeholder group that's been
24 meeting since April. And the outcome of that is they're
25 charged with developing a new California Freight Mobility

1 Plan, which is due and must be completed by the end of
2 this calendar year, December 2014. The plan will identify
3 statewide trade corridors of significance and outline
4 strategies for minimizing freight's impact on communities
5 and achieving state environmental objectives. And is
6 required to be submitted to a number of State agencies,
7 including your Board, by December 2014. So this is the
8 not the last time you'll be hearing from us.

9 This Freight Advisory Committee is also serving
10 as the single stakeholder policy forum to develop a
11 statewide consensus around advocacy principles for
12 communicating with the feds about a national freight
13 network and this year's federal funding re-authorization
14 bill. So we really appreciate Air Resources Board
15 participation in the Freight Advisory Committee,
16 especially as we're looking towards what's coming up with
17 funding through the feds and how we can most best utilize
18 that funding for sustainable freight.

19 So there's many other ways that the
20 Transportation Agency, Caltrans, and the Air Resources
21 Board have been working together for many years, long
22 before this Freight Advisory Committee, to achieve the
23 state's air quality and transportation goals. And I just
24 want to mention three things quickly.

25 One is Caltrans has contracted with the U.C.

1 Irvine to develop a statewide freight forecasting model.
2 And I hope that will be helpful for you moving forward
3 with the sustainable freight strategy. Also, the
4 California Transportation Plan is coming up in 2015. This
5 is a Five-Year Plan that Caltrans and the California
6 Transportation Commission work on to identify how the
7 entire multi-modal transportation system will meet. Air
8 quality requirements outlined in another bill, SB 391.
9 And then finally, we will also soon start updating the
10 California State Rail Plan that will address both
11 passenger and freight rail.

12 I know I speak for Transportation Secretary Brian
13 Kelly when I say we have a very deep commitment to
14 environmentally sustainable transportation in California,
15 including freight. And we really look forward to
16 strengthening our coordination efforts with ARB and
17 working on the -- building on the good work that both our
18 agencies are working on and fully participating in the
19 evolution of the sustainable freight strategy. Thank you.

20 CHAIRPERSON NICHOLS: Thank very much. Thanks
21 for coming and sitting through this session here.

22 We very much have appreciated the strong
23 leadership that Secretary Kelly has provided on our
24 issues. He could not have been more clear and open in his
25 statements about the mission of your agency, including air

1 quality and that kind of embracing of each other's agendas
2 is I think part of what is going to make it possible for
3 this effort to really succeed. So thank you very much.

4 Next we'll hear from Henry Hogo from the South
5 Coast air district. That's the order that I have here.

6 Henry is the Assistant Deputy Executive Officer
7 who heads up science and technology advancement at South
8 Coast. As the agency, as we've heard today, with some of
9 the biggest air quality challenges and responsible for a
10 region that serves as a major international freight
11 gateway, South Coast is a vital partner in this effort,
12 especially because they have for many years developed
13 expertise in advanced technologies and carried that
14 demonstration project.

15 So welcome.

16 MR. HOGO: Thank you, Madam Chair and members of
17 the Board.

18 I'd like to first start off to thank staff for
19 engaging us early in this process. It actually started
20 about a year and a half ago when Ms. Marvin and staff met
21 with us to talk about the concept of developing a
22 sustainable freight plan. So we appreciate the early
23 discussions that we have had with staff.

24 We did at the time indicate that it's critically
25 important that the plan is consistent with our air quality

1 planning goals, especially with the upcoming 2016 Air
2 Quality Management Plan, because that will be probably the
3 most challenging plan yet for staff to develop for the
4 region.

5 So we, as mentioned earlier by Mayor Mitchell,
6 that 40 percent of the goods that move across the nation
7 goes through our twin ports is critically important that
8 we look at the type of sources that are out there that
9 contribute to our air quality problems. Trucks, ships,
10 and locomotives are among the five top major NOx sources
11 in our region. And we've been asked actually what happens
12 if all these trucks met 2010 emission standards. What if
13 every ship that came in met the future IMO Tier 3 standard
14 and every locomotive that come into the region met the
15 future Tier 4 standards. Can we attain the air quality
16 standards? The answer is simply no.

17 So we do need to rapidly accelerate the
18 commercialization and deployment of zero and near zero
19 transportation technologies as soon as possible. So we
20 really would look forward to working with staff on this.
21 We did indicate to staff that we believe that as part of
22 the planning process that we look at identifying some
23 early actions that can be done as the plan is being
24 developed that could be implemented this year that will
25 look at reducing emissions as early as possible.

1 So we look forward to working with staff on
2 identifying and prioritizing these type of early actions
3 that will play an important role in the planning process.
4 And we stand ready to work with staff on every aspect of
5 the plan development.

6 CHAIRPERSON NICHOLS: Thank you very much.
7 Obviously, we'll be joined together in working on the SIP.
8 That's going to be critical for all of us. And SCAG is
9 another partner in that effort; is that correct?

10 MR. HOGO: Yes. Maybe if I can spend one minute.
11 As you mentioned, SCAG did include in the 2012 regional
12 transportation plan a freight element. And looking at
13 that plan, they did identify some time lines for bringing
14 about zero and near zero emission technologies. So we
15 want to work with that time line and see had you that fits
16 in with your planning process.

17 In addition, you may be aware that SCAG did call
18 for some dedicated truck lanes along the 710 and the 60
19 corridor. And as part of that discussion was the
20 discussion having zero emission trucks work along the
21 lane. I want to move that forward as quickly as possible.

22 CHAIRPERSON NICHOLS: I know there's some really
23 big ideas out there that are going to have to be
24 addressed. Thank you very much.

25 The last person I wanted to turn to again before

1 we have further discussion is Amy Zympher, who is the
2 Associate Director of the Air Division at U.S. EPA Region
3 9 and who's the lead on the Clean Air Technology
4 Initiative, which is a collaborative effort to accelerate
5 advanced clean technologies in support of improved air
6 quality and improved quality of life in the South Coast
7 and San Joaquin Valley basin.

8 So EPA has been a strong partner bringing another
9 only a lot of technical expertise and legal authority, but
10 also often times critical funding to this effort. So
11 welcome Amy.

12 MS. ZYMPHER: Thank you very much. It's a
13 pleasure to be here, Chairman Nichols and members of the
14 Board.

15 In addition to what has already been said here, I
16 thought I'd just take a few minutes to kind of reinforce
17 the importance of California and the pollution problems
18 here in the national context, because that is so important
19 in terms of how we establish priorities and how
20 Californian's really on the cutting edge.

21 And just to reinforce it, California is clear
22 that has the most severe population weighted exposure of
23 air pollution in the country. The South Coast Air Basin
24 and San Joaquin Valley have 77 percent of the population
25 weighted exposure to PM2.5, and 59 percent of the

1 population weighted exposure to ozone concentrations in
2 the whole country. So over three-quarters of the ozone
3 population weighted exposure in the country happens in the
4 South Coast and San Joaquin areas. And as has been
5 reinforced. Mobile sources emit over 80 percent of those
6 the regional NOx and 90 percent of the cancer risk
7 associated with air pollution. And the NOx and cancer
8 risk are coming primarily from mobile sources. And the
9 mobile sources, it's primarily those associated with the
10 freight sector.

11 As has been noted, California has submitted plans
12 that demonstrate attainment of the '97 ozone standard by
13 2024. It relies on a combination of emission reductions
14 from local and state measures, but also not yet defined
15 new technologies. And we know that the new technologies
16 are going to be critical to this state California freight
17 strategy as it's developed.

18 I would also note that by 2023, we recognize that
19 emissions from oceangoing vessels, locomotives and other
20 so-called federal sources are going to become a greater
21 percentage of the total inventory.

22 So one of the things that we have been working
23 closely with ARB on and others is to ensure that our
24 current standards are being implemented, but also that we
25 are keeping our eye on technology enhancements and whether

1 we federally need to be adopting more stringent standards.
2 So that's one thing that we will bring to the technology
3 assessment component of what has been laid out for you
4 today.

5 I also want to note that in addition to the South
6 Coast and San Joaquin area, we would encourage you to have
7 a component of the strategy take a look at the U.S./Mexico
8 border emissions and the issues associated with goods
9 movement across the border there. For example, about
10 3,000 trucks with consumer goods assemble in Mexico for
11 the US market across the border daily at the Otay Mesa
12 port of entry in San Diego County and around 1500 trucks
13 come north per day at Calexico.

14 We are recognizing that there is still more that
15 needs to be done to characterize the emission and
16 pollution associated with these trucks and other sources
17 of freight movement, but we would encourage that that is a
18 component in the strategy as well.

19 And as Chairman Nichols mentioned, I had our
20 clean air technology initiative. This is an effort we've
21 had underway very collaboratively with the South Coast to
22 the San Joaquin districts, ARB, and the California Energy
23 Commission is a very vital partner now.

24 So thank you again for the opportunity to be
25 here. I'm open to any questions that you may have. And

1 we look forward to standing ready to help you as this
2 freight strategy is developed in California and as it
3 feeds into the national freight strategy that is under
4 development and due out in 2015. Thank you.

5 CHAIRPERSON NICHOLS: Thank you very much.

6 Supervisor Roberts was just commenting to me on
7 the By the Numbers document that we've got that right up
8 at the front there's a figure on the trade between
9 California and Mexico, which obviously does have an impact
10 on the SCAG region, but it also has an impact on San
11 Diego. I think there should be an asterisks. Anyway,
12 they are the first port of entry in the case of the trucks
13 for sure.

14 Okay. I'd like to invite you to stay if you can,
15 understanding that people have other things to do. But we
16 may want to ask for your help later on as we get into the
17 Board discussion. However, we've got a list of people who
18 have asked to come and talk about this item as well. So
19 why don't we just proceed beginning with James Jack and
20 you can all see where you are on the chart. And we'll go
21 from there.

22 MR. JACK: Good afternoon, Madam Chair and Board
23 members.

24 My name is James Jack, and I serve as the
25 Executive Director of the Coalition for Responsible

1 Transportation, or CRT.

2 CRT is an industry organization of leading cargo
3 owners, trucking companies, ocean carriers and sea ports,
4 and our primary purpose is to advance environmental
5 sustainability within the supply chain. Our cargo owners
6 include companies like Target, the Home Depot, Lowes, Best
7 Buy, Walmart, and Nike, who are the largest and most
8 environmentally progressive members of the goods movement
9 community.

10 CRT is excited by the opportunity to partner with
11 this Board to identify solutions that will allow the goods
12 movement sector to help meet the significant air quality
13 challenges facing this state. And we hope the unique
14 perspective of cargo owners will benefit this effort.

15 For many years now, ports on the east coast have
16 been deepening and widening their harbors to accommodate
17 the increase in cargo volume that will occur when the
18 expansion of the Panama Canal is completed next year.
19 These ports have already begun aggressively courting cargo
20 away from L.A., Long Beach and Oakland, promising greater
21 efficiency, lower cost, and less regulation.

22 And in fact, last year, for the first time since
23 World War II, the east coast surpassed the west coast in
24 container traffic. Septic might say the cost of
25 extracting additional emissions reductions from

1 California's goods movement system will further hasten the
2 exodus of cargo away from California's ports. However,
3 CRT does not share this view.

4 We believe that this process holds great
5 potential to improve the environmental performance of the
6 freight sector by improving the efficiency of the system
7 so we may reduce emissions while also ensuring that
8 California's ports remain engine of economic growth.

9 Given the sheer size and complexity of the
10 state's goods movement network, the task before us is
11 large and frankly a bit daunting. Nonetheless, we stand
12 here today as a willing and eager partner with you in this
13 effort. Thank you very much.

14 CHAIRPERSON NICHOLS: Thank you.

15 MR. MAGAVERN: Bill Magavern with the Coalition
16 for Clean Air and also with the California Cleaner Freight
17 Coalition, which is a coalition of about 20 groups that
18 are active at the community level, regional level, state
19 level, national level on freight issues. And we've all
20 come together because we share the recognition that this
21 Board has and the air districts have that it's essential
22 that we all have a major effort to reduce emissions from
23 the freight sector.

24 So I want to applaud what I thought was an
25 excellent staff presentation and to thank the many members

1 of the staff team as well Board members who have taken the
2 time to engage with us over the last several months about
3 this very important effort that you're launching here
4 today.

5 And I want to call out specifically three
6 important items from the report to agree with. And one is
7 the interagency coordination. Coalition for Coalition Air
8 participates on the CalTrans Freight Advisory Committee,
9 and we support the ARB position that part of the Freight
10 mobility Plan should be setting principles and criteria
11 for environmental stewardship when there are large
12 infrastructure projects in the freight sector that are
13 planned. And there needs to be early on in that process
14 an adoption of those principles and criteria.

15 Secondly, your intent to engage the public, I
16 want to applaud that and to offer the help of our
17 coalition members in having those discussions because we
18 agree with you that it's very important that people be
19 engaged at the community level. People who aren't able to
20 come to Sacramento need to be involved in these
21 discussions.

22 And third action, because that's really what it's
23 all about, is taking the actions that are necessary to
24 reduce emissions from goods movement. We agree with the
25 South Coast District that we should look at a slate of

1 early actions that we can take and we think it's going to
2 require some mix of regulations, incentives, technology
3 advancements, and planning in order to achieve the goals
4 that we all share.

5 So thank you for taking this step today. We very
6 much look forward to working with you.

7 CHAIRPERSON NICHOLS: Appreciate you being here.

8 Catherine. Appreciate if you could keep track of
9 where people are so we can move forward a little more
10 quickly here. So Angelo, you're going to be next. Not
11 Angelo, Azibuike.

12 MS. PHILLIPS: Catherine Phillips here for Sierra
13 Club California.

14 I apologize for zoning out. It's nice to see
15 many familiar faces and some new faces. I just want to
16 underscore our support for this resolution and the effort
17 that CARB and the transportation agency are making
18 together to figure out a way to holistically address
19 freight and freight pollution in this state.

20 I've had an opportunity to in the past to work on
21 freight issues at a national level and also at the state
22 level over many years and a little bit at the local level.
23 And I know that it can't get solved at any single level.

24 So this initiative is something we're very
25 excited about. And of course, as Bill said about his

1 organization, my organization, I think all the
2 organizations and the coalition are anxious to help you as
3 much as we can as you reach out to the general public. So
4 thank you again for this.

5 CHAIRPERSON NICHOLS: Thank you. Mr. Akaba.

6 MR. AKABA: Good afternoon. My name is Azibuike
7 Akaba with Regional Asthma Management and Prevention and
8 part of the Public Health Institute and also a part of the
9 California Cleaner Freight Coalition.

10 So we're here representing communities -- fence
11 line communities that live near the ports or are impacted
12 by pollution by the warehouse distribution centers along
13 the supply chain because of the air quality impacts. And
14 so we really endorse the resolution. We're really
15 grateful for the staff and the Board members that we met.

16 I wanted to just bring up a couple of points I
17 guess I was going to say this is the opportunity for you
18 guys to really provide leadership and the ground, the
19 foundation for a sustainable freight program. And in
20 particular, there's three things that we really support is
21 regulation, compelling behavior to happen as opposed to
22 compliance strategies. Incentivation, so we're supporting
23 incentivizing innovative programs, pilot programs, early
24 adopters, and then also technology as the gentleman said,
25 that zero emissions is the only way we're going to get

1 there. So we really need to promote that.

2 And we also are open to and welcome the
3 opportunity to work with staff continuously. And also it
4 seemed like the industry reached out their hand to provide
5 some guidance, leadership, experience since they are the
6 ones that own the freight supply chain. So we're willing
7 to step up to meet with the industry and collaborate if
8 you guys help facilitate that.

9 CHAIRPERSON NICHOLS: Thank you. Appreciate
10 that.

11 Angelo Logan. Nice to see you.

12 MR. LOGAN: Hello, Chair Nichols and members of
13 the Board. I'm Angelo Logan with East Yard Communities
14 for Environmental Justice.

15 First, I'd like to express my support for the
16 sustainable freight strategy. I'd like to thank you and
17 your staff for being thoughtful and addressing goods
18 movement in California as we move into the future.

19 I'd like to urge you to adopt a plan that is
20 strong and supportive with a regulatory approach as its
21 foundation. This plan should have clear goals, time
22 lines, early action items, and long range strategies.

23 Saying that, I would like to bring rail yards
24 into the discussion and the memo that Mr. Corey submitted
25 to you on December 4th, 2013, and the relationship to the

1 sustainable freight strategy plan and process.

2 As you all remember, in January of 2009, you
3 granted in part a petition for rail yard and locomotive
4 rule making. Your staff noted that evidence clearly
5 demonstrates that activities within and around these rail
6 yards have been responsible for unacceptable high risk.
7 The Executive Officer confirmed that substantial
8 additional emission reductions are necessary and agreed to
9 evaluate implementation options in a technical document
10 and present the Board with a plan to achieve such
11 reductions.

12 You then developed technical options to achieve
13 additional emission and risk reductions from California
14 locomotives and rail yards and recommendations to
15 implement further locomotive and rail yard emissions
16 reductions. In these documents, CARB staff identified
17 numerous cost effective and feasible mitigation measures.

18 In June of 2010, you decided to use a voluntary
19 agreement to reach further rail yard and locomotive
20 reductions versus implementing regulatory measures and
21 gave your Executive Officer the authority to negotiate and
22 sign the MOU.

23 On December 4th, 2013, your Executive Officer
24 sent a memo entitled "Reducing Emissions from Rail Yards."
25 In this memo, the Executive Officer explains that he has

1 decided not to approve the commitments in the MOU, but
2 rather initiate a public process for reducing emissions
3 from rail and other freight operations.

4 In this memo, the Executive Officer identified
5 the Scoping Plan update as the venue to address the needed
6 reductions from rail yards. And the next version of the
7 Scoping Plan update will be developed -- will be the
8 development of a sustainable freight strategy.

9 The need for further action to reduce emissions
10 from rail yards and locomotives to protect public health
11 is precedent and needs to be addressed as an urgent matter
12 and should not be confused with the sustainable freight
13 strategy.

14 Over the last six years, you and your staff have
15 produced dozens of supporting documents that to position
16 you to take action on rail yards and locomotives now.

17 We respectfully request that CARB initiate a
18 regulatory process regarding rail yards and locomotives
19 concurrent with to the sustainable freight strategy
20 process. I would like to see that reflected in the
21 resolution before you today.

22 CHAIRPERSON NICHOLS: I understand the point. We
23 also have your letter. I'm sure we'll be talking about it
24 later.

25 Mr. Anair.

1 MR. ANAIR: Good afternoon, Chairman Nichols,
2 members of the Board.

3 I'm Don Anair, Research and Deputy Director in
4 the Clean Vehicles Program at the Union of Concerned
5 Scientists and also a member of the Cleaner Freight
6 Coalition.

7 I'd like to thank staff and the Board both for
8 the discussion at the last hearing in December regarding
9 the sustainable freight initiative and the presentation
10 today and the details about how we go about tackling this
11 problem.

12 We know that the level of emissions reductions we
13 need is substantial, and we also know that there's
14 solutions available. The technology symposium last year
15 down in South Coast, there were a number of technology
16 providers, companies, and individuals talking about
17 various technologies that are either under development or
18 could be deployed to address a lot of the challenges in
19 the freight sector across trucking, rail, and other modes.
20 So that's the good news.

21 A recent report that the freight coalition
22 released which I believe you have a copy of also looked at
23 some different strategies and technology strategies to
24 reduce emissions and found on the order of 70 to 90
25 percent or more emission reductions in emissions could be

1 achieved through different strategy.

2 So the important part here and the challenging
3 part is how do we make that happen. I think the
4 sustainable freight strategy, the time is right for moving
5 forward and identifying the next step we need to make this
6 a reality.

7 So one thing I'd like to encourage as well as the
8 strategy is being developed is one of the challenges will
9 be around some of the logistics and planning and
10 efficiency measures to improve the system as a whole. And
11 our freight symposiums that UCS and U.C. Davis held last
12 year, one of the issues that came up is the availability
13 of data for researchers to really examine the freight
14 system as a whole. I think as an outcome of this
15 Sustainable Freight Strategy, really identifying what
16 those needs are and how to go about getting that
17 information will be a key outcome of the strategy.

18 One other piece I'd also like to mention just in
19 terms of the technology development. It's critical that
20 we move from small demonstrations of one or two trucks
21 from different technologies to larger demonstrations
22 projects that are needed to really move to
23 pre-commercialization for these technologies. And so I
24 think identifying key steps and strategies for moving the
25 technology to commercialization will be critical.

1 Finally, I just want to close with thanking the
2 staff and the Board for considering this today and moving
3 forward and look forward to working with you and other
4 stakeholders involved in developing a strategy. Thank
5 you.

6 CHAIRPERSON NICHOLS: Thank you very much.

7 Ms. Mendoza.

8 MS. MENDOZA: Good afternoon. I hope it's not
9 too late to say Happy New Year to the Board and staff.

10 My name is Jerilyn Lopez Mendoza. I represent
11 the Southern California Gas Company.

12 I thank the Board members and staff for this
13 opportunity to comment at this public meeting to consider
14 developing a Sustainable Freight Strategy.

15 Southern California Gas strongly supports your
16 effort to develop a sustainable freight strategy for our
17 entire state of California. A robust dialogue addressing
18 pollution from freight and goods movement has been ongoing
19 in several regions of the state for years and the time is
20 right to create a sustainable freight strategy that looks
21 at the entire system as a whole for purposes of
22 consistency and addressing areas in urgent need of reform.

23 At the same time, we'd like to remind the Board
24 that natural gas heavy-duty vehicles have already been
25 part of a freight pollution solution. CNG and LNG

1 heavy-duty trucks are already an essential part of
2 successful reductions of particulate matter and NOx
3 emissions throughout the state, especially in southern
4 California around the ports of Los Angeles and Long Beach.

5 And at this point, I just want to interject a
6 personal note. I served on the Board of the Harbor
7 Commission for the port of Los Angeles for five years from
8 2005 to 2010 when we were developing and beginning the
9 implementation of our Clean Air Action Plan. And so I
10 know firsthand the task you're getting ready take up is
11 going to be a challenging one. But I also know that
12 progress is being made every day and we need to move that
13 progress forward.

14 Further, as you may know, Southern California Gas
15 has conducted rigorous multi faceted air quality analysis
16 regarding zero and near zero emission natural gas engine
17 technology. Our analysis has led us to the conclusion
18 that a multi-technology approach maximizing the use of all
19 available zero and near zero strategies will yield the
20 greatest emission reductions. Zero and near zero
21 strategies, such as electricity, hydrogen, and natural gas
22 are the tools we should be using in a sustainable freight
23 strategy.

24 Furthermore, the significant technology advances
25 in natural gas engines combined with the low cost of

1 natural gas make natural gas engines a logical pathway for
2 expedited market penetration for heavy duty engines in the
3 kind of low emission freight projects you will be
4 contemplating for your sustainable freight strategy.

5 We agree that a low GHG freight plan for
6 California should be our collective goal, and natural gas
7 heavy duty engines are a key part of reaching that goal.
8 We also know the use of CNG can expand to the rail and
9 marine sectors. Already, national rail concerns are
10 looking at LNG conversion and marine companies with
11 oceangoing vessels are exploring a shift to LNG fuel.

12 Taken together, truck, locomotive, and marine
13 sources represent about 40 percent of the entire pollution
14 problems in Southern California and would take us a long
15 way toward attainment of clean air and GHG goals if
16 switched to CNG and LNG.

17 To support natural gas -- never mind. I had
18 other stuff to say, but my personal point got in the way.
19 I just wanted to say again we support this effort. We
20 think it's long time coming. Personally, I'm thrilled and
21 I want to thank you all for your hard work on this effort.

22 CHAIRPERSON NICHOLS: Did you have written
23 testimony? You can submit it and we'll have it in the
24 record. Next.

25 MR. GALLO: Good afternoon, everyone. My name is

1 Frank Gallo with the Ditching Dirty Diesel Collaborative.
2 We've been working on freight issues for nearly a decade
3 now. And we want to thank you for your focus and for
4 developing a sustainable strategy on freight. It's
5 desperately needed, especially with our shift from a
6 manufacturing economy to a distribution economy.

7 Ditching dirty diesels centered in the
8 San Francisco Bay Area and our communities have been
9 designated care communities by the air district. These
10 communities suffer disproportionate amount of pollution
11 from ships, trains, planes, and trucks.

12 The presentation this morning documented how much
13 our region has improved in terms of air quality. How we
14 are now in attainment. But our members believe there is
15 still a long way to go and much work needs to be done.
16 Our window blinds and windowsills are covered with soot.
17 At work, we frequently have to dust our computers and our
18 keyboards. Our children and family members still suffer
19 from asthma and other respiratory ailments.

20 So cleaning up the freight sector would go a long
21 way to improving health conditions in our community. This
22 is why Ditching Dirty Diesel is partnering with the
23 California Cleaner Freight Coalition to address some of
24 these issues. And we're encouraged by what we've heard so
25 far by staff, and we hope that we'll be able to partner

1 and engage and get us to that goal.

2 And some other members of the coalition will be
3 talking to you about a new study that might help us get
4 there in terms of a new freight strategy.

5 CHAIRPERSON NICHOLS: Thank you.

6 Good afternoon.

7 MS. BAILEY: Good afternoon, Chair Nichols
8 members of the Board and staff.

9 My name is Diane Bailey. I'm a Senior Scientist
10 at the Natural Resources Defense Counsel and also a member
11 of the California Cleaner Freight Coalition.

12 Our coalition is made up of about 20 different
13 health, environmental justice, community and green groups
14 working towards transformational change in the way that we
15 move our goods in California so that we can protect the
16 public's health, clean the environment, and promote social
17 justice inequity.

18 We're here today in very strong support of the
19 sustainable freight initiative. So just pleased to see it
20 roll out today. I know a lot of hard work went into it.
21 We very much appreciate this agency's commitment to moving
22 forward on this important issue. So thank you.

23 We're particularly pleased to hear a lot of
24 discussion about zero emission transport and advanced
25 technologies and investigation into those advanced

1 measures.

2 I want to note today there was an excellent
3 opt-ed in the San Francisco Chronicle by Margaret Gordon.
4 I think most of you know her. She couldn't be here today.
5 It's entitled, "Pollution's Electric Solution," and she
6 talks a lot about west Oakland other port side
7 neighborhoods just like it, that they have
8 disproportionately suffered the consequences of air
9 pollution so that everyone else can enjoy the benefits of
10 international trade.

11 And that's true of so many other communities in
12 California. She notes that children in her neighborhood
13 are seven times as likely to be hospitalized for asthma
14 than those in other parts of Oakland. And they suffer one
15 of the highest asthma rates in the state. So despite
16 decades of improvements to diesel engines and measures of
17 cleaner air, and this agency has been responsible for many
18 of those improvements -- and I want to acknowledge that --
19 we do still have quite a bit of work to do to reduce
20 diesel pollution. We need a mix of very strong measures,
21 including regulations and incentives, to take -- to really
22 tackle this issue of freight pollution. And the kick off
23 of the sustainable freight initiative today is really an
24 important step towards achieving that goal.

25 I want to talk a little bit, if I have time,

1 about this report that our coalition released. It's
2 called, "Moving forward, zero and low emission freight
3 pathways." You all should have a copy. I just want to
4 talk through a couple of examples of how we envision
5 getting passed the status quo of diesel. And Henry Hogo
6 with the South Coast Air Management District made an
7 important note that even if we use the very cleanest
8 diesel engines available today in all of the different
9 modes, we're still not getting there to our clean air
10 goals.

11 And I see I'm running out of time so. So I'm
12 going to ask you to take a look through the report. I'll
13 save the examples for later. And just note that you have
14 our full support on this freight initiative. We are happy
15 to work with staff. Very pleased to see it moving
16 forward. And let's get Margaret Gordon those electric
17 trucks she wants for her community of west Oakland.

18 Thanks

19 CHAIRPERSON NICHOLS: Thanks. It's a great
20 looking documents. Lots of beautiful pictures and also
21 some good text. So we will read it.

22 MR. MARTINEZ: Good afternoon. My name is Adrian
23 Martinez, and I'm here for Earth Justice.

24 Earth Justice is a member of the California
25 Cleaner Freight Coalition as well. Today, we're here to

1 support the resolution before you. We think the staff has
2 done a good job of outlining a lot of work that needs to
3 happen over the next year. And Earth Justice intends to
4 participate and provide as much input as possible.

5 There are a couple points I want to highlight. I
6 think identifying kind of what are the next level
7 regulations that are going to push the freight system is
8 going to be very important, especially as we undertake
9 figuring out how do we close the black box. I was happy
10 that EPA referenced identifying these new technologies as
11 a key priority of this freight initiative. I think that
12 will be important to keep in mind as we move forward.

13 The second point is on health risks. We're
14 seeing several projects throughout the state, and I think
15 this process kicking off now is very important. You have
16 the 710 project, one of the largest road infrastructure
17 projects in the nation. You have the World Logistics
18 Center in Moreno Valley, the largest master planned where
19 house development in the world. These are all happening
20 now.

21 So I think to the extent that the Air Board can
22 continue its commitment to reducing freight and
23 participate in these projects and provide input will be
24 helpful.

25 And then the final issue I just want to echo the

1 concerns raised by Angelo Logan that there are several
2 issues that need to be addressed now. In particular, the
3 issue of the communities adjacent to rail yards is
4 something that should proceed on a parallel track and make
5 sure that we're providing relief to communities that are
6 breathing toxic air from rail yards. Anyway, I would like
7 to support the Resolution. And thank you for all your
8 time and hard work. Thank you.

9 CHAIRPERSON NICHOLS: Thanks for being here.

10 MS. HOLMES-GEN: Bonnie Holmes-Gen with the
11 American Lung Association in California.

12 And as others that have been here today, I want
13 to thank you and the staff for moving forward on this
14 important freight effort. As a health organization and a
15 member of the Cleaner Freight Coalition, we've been
16 looking for this to happen for quite some time. And we're
17 really pleased to see this item come forward.

18 I was able to attend the Haagen-Schmit symposium
19 and participate in some of the early discussion on this.
20 I understand the complexities that you're facing. But
21 this is something clearly that we have to do, as you
22 noted. We have to get to zero emission and near zero
23 technologies and fuels. There is tremendous potential.
24 We have the technologies available. We need to
25 demonstrate them and deploy them. And we need to involve

1 all the stakeholders and local governments and work
2 together on this.

3 And we're just pleased that you are taking the
4 lead. And this is the key role for the Air Board to bring
5 all these agencies and stakeholders together. And I just
6 wanted to comment it's just as important to develop the
7 strategy as it is to also develop the implementation plan
8 with the timetable and the milestone so that we can all
9 have a clear sense of what's going to happen and when to
10 clean up freight and to produce these public health
11 benefits.

12 Just also wanted to comment that well to wheels
13 analysis that you've been talking about is a critical
14 component of this. We really look forward to that.
15 That's critical information we need to have. We also want
16 to see continued work on health analysis so that we can
17 have that input into the freight strategy as we move
18 forward and have ARB, as was mentioned earlier, provide an
19 avenue for more input with some of the health information
20 at the local level.

21 And the last thing was, you know, we support the
22 elements of the strategy and appreciate again the
23 near-term work that you're looking at, not just looking at
24 the regional efforts, but the near term work that's needed
25 to help vulnerable communities that are struggling now

1 with excess emissions. We look forward to partnering with
2 you as always. Thank you so much.

3 CHAIRPERSON NICHOLS: Thank you.

4 Mr. Markwald.

5 MR. MARKWALD: Good afternoon, Chair Nichols and
6 members of the Board. I'm Kirk Markwald. I am
7 representing the Association of American Railroads, which
8 out in the west is the BNSF Railway and Union Pacific
9 Railroad, also a coalition of goods movement providers and
10 movers. I think it's being distributed to you now. You
11 may have seen it before.

12 What's attached to the letter -- and I think that
13 first I'd like to really congratulate the staff in a very
14 thoughtful presentation. This is a complicated issue.
15 And we'll get to the right place by this kind of
16 thoughtful analysis that the staff has presented for you
17 that will guide their efforts.

18 What I think it's also important though as we
19 start at the very first point, which is what are the
20 questions that we're trying to answer. Because I think as
21 Don Anair suggested, data is incredibly important. One of
22 the things that came out of Haagen0Scmit was a need for
23 high granularity of understanding the system. And I think
24 getting the questions right first is the way we're going
25 to get to the fact of what the data is and then what it

1 means in terms of implementation. So I think that's a
2 very important step that should not be jumped over.

3 Secondly, I think that the Haagen-Schmit effort
4 gave some ideas of how to create a process so that all the
5 voices could be at the table. They would be heard. It
6 would be transparent. And we attached to our letter some
7 of the ideas that came out of that that I think were
8 incorporated in this staff presentation and I think really
9 have to be part of this effort.

10 If necessary, a technique that you've used before
11 in AB 32 is to also draw in unaligned independent experts
12 academic or otherwise the Technical Advisory Committee to
13 really sort and sift the data that is going to come to you
14 so you can have a high degree of confidence that when
15 you're acting upon a plan or a strategy, you've got some
16 buy-in from more than a business interest or a community
17 interest or an environmental interest, but rather there
18 are technical people, really smart, unaligned out there.
19 And you should avail yourself to them.

20 The one thing I didn't think the staff
21 presentation due on carefully enough was the systems
22 implication of actions today. You know, if Hasan were
23 here, I would channel my inner Hasan, he would tell you
24 this is \$150 billion of GDP in the region, about 32
25 percent. And it's a 2.9 million jobs. So getting it

1 right is really important.

2 And part of that is many of the traditional
3 providers are not even in the room or even in the country.
4 So one suggestion I would have is on the Resolution, the
5 Resolution suggests that the staff directs the staff --
6 this is on section two, page five. Directs the staff to
7 do a sector by sector technology analysis. I think that's
8 incredibly important. But I think it should be amended to
9 also include a systems analysis would look to the
10 implication of port shift or the implications of mode
11 shift. If that's included, then I think you will have
12 confidence as you go forward you've got the right
13 resolution on the data and that both citizens and you all
14 as decision makers will have confidence going forward you
15 can transform the system both from an environmental
16 improvement as well as not doing harm on the economic
17 side. Thank you.

18 CHAIRPERSON NICHOLS: Thank you. Appreciate
19 that. We may call on you again if there's an issue about
20 that. But I understand. Okay. Thank you.

21 Jamie Hall.

22 MR. HALL: Good afternoon, Chairman Nichols and
23 members of the Board.

24 My name is Jamie Hall. I work as Policy Director
25 for CalStart. As many of you know, we've been focused on

1 cleaner, medium, and heavy-duty vehicles for a really long
2 time. We're very excited and optimistic about what can be
3 done with advanced technologies in the freight sector.
4 For example, we worked on a report last year that showed
5 that zero emission trucks technologically feasible in and
6 around the heavily polluted ports of LA and Long Beach.
7 This would be amazing.

8 We also recently released a technology road map
9 for clean trucks through the CEC funded California Hybrid
10 Efficient and Advanced Truck Research Center, otherwise
11 known as CalHEAT. And to Kirk's point that work did
12 include the input of a large and impressive technical
13 advisory group. It could be a bit of a starting point for
14 some of this work.

15 These are exciting and California is out in front
16 as always, which is why it's fun to work here. However,
17 this is not going to be easy. I think we all realize
18 that. We have to figure out how to move towards zero
19 emission freight, while remaining sensitive to the
20 economic realities and constraints on the sector.

21 This will require active participation and
22 collaboration on the part of all stakeholders and so
23 sustainable freight strategy process and stakeholder
24 outreach you're talking about today is really important.
25 And we look forward to participating in this.

1 Achieving success will also require significant
2 public investment above and beyond that which you can get
3 from the program's extended last year by AB 8. And as Don
4 Anair from UCS noted, an important part of this is larger
5 scale demonstrations, but really there are needs all
6 across the technology commercialization process.

7 Fortunately, cap and trade revenues provide an
8 opportunity to address some of these investment needs with
9 targeted and coordinated investments in research,
10 development, demonstration, and early deployment of
11 cleaner medium and heavy-duty vehicles. It's a great
12 opportunity. We need to make the most of it with a good
13 and well thought out plan.

14 With that, I'll wrap it up and say we're happy to
15 see this kicking off. And we really look forward to
16 working with you. Thank you.

17 CHAIRPERSON NICHOLS: Thank you. And last but
18 not least.

19 MR. COATES: Hello. Good afternoon, Chairman
20 Nichols and Board. I'm Michael Coates today. I'm
21 representing the Diesel Technology Forum, not-for-profit
22 trade association representing diesel industry's vehicle
23 engine and technology providers.

24 The new generation of clean diesel technology is
25 what moves the global economy today. Eighty percent of

1 the freight in the U.S. is moved by diesel powered trucks,
2 trains, and boats.

3 By rapidly reducing the footprint of emissions
4 and fuel consumption from all aspects of freight movement,
5 clean diesel power is the key to reducing criteria
6 pollutants and greenhouse gas emissions today and in the
7 future.

8 We look forward on behalf of the diesel industry
9 to being a partner in the planning for the Sustainable
10 Freight Initiative and help move the needle forward.
11 Thank you very much.

12 CHAIRPERSON NICHOLS: Thank you. All right.

13 Well, we seem have to generated a lot of interest
14 and mostly positive responses, which is terrific. I think
15 it's great.

16 I remain concerned, not about the substance of
17 what we're doing, but about the ability to coordinate so
18 many different moving parts. I think that's the harder
19 thing is to do all this analysis that we're talking about
20 and do it well in a timely fashion so that it can feed
21 into the processes of other agencies as well because
22 although we have serious authority and responsibility on
23 the air quality and AB 32 side, we have a sister agency
24 among others, but the Department of Transportation which
25 has major responsibilities in the federal system and its

1 own legislative mandate to do a freight plan.

2 So although they haven't said that they're
3 worried about it, I'm going to say on their behalf I'm
4 worried about how we do this. One of the things that I
5 wanted to make clear is that I do not want to see us
6 create a new Advisory Committee that replicates the
7 Advisory Committee that is already in existence, the 75
8 member Freight Advisory Committee which we serve on, as do
9 many of the people spoken here today. Not all, but many
10 of them.

11 So I want to get from staff a little more clarity
12 if I can at this point as to how exactly you see us with
13 our stakeholders because we're certainly -- these are our
14 stakeholders, too. And there are reasons why we need to
15 consult with them and probably to consult with people that
16 aren't part of this Advisory Committee, but how we're
17 going to do that and at the same time work within the
18 process that STA is doing as well.

19 I'm looking at you, Cynthia, because you're the
20 guru on this one.

21 DIVISION CHIEF MARVIN: Thank you. So we've
22 really wrestled with the question about how do we have
23 this open transparent collaborative process. I went back
24 and talked to a lot of the folks who were part of this
25 sort of effort last time we did it about six or seven

1 years ago. And what I heard is great big advisory
2 committees are good because you can point to them and you
3 can say you got everybody in the same room at the same
4 table, but you don't tend to get conversation at that
5 table that really moves the ball.

6 So what we're proposing primarily is the use of
7 small focus groups, which really means we go to different
8 interest groups and pick their brains, find out what they
9 feel like they would need out of the system, a sustainable
10 freight system to support it, what are their ideas, what
11 are their concerns, what are their suggestions.

12 ARB pulls that information back with its agency
13 partners. We synthesize it and we talk about it in
14 workshops.

15 One of the challenges that we have is there a
16 hybrid approach that can get us a more interactive
17 process. I think your Board members are all familiar with
18 standard ARB workshops, which is where ARB staff sits up
19 front. We never sit in your seats, but we usually sit up
20 front and we present a proposal. And then other people
21 comment to ARB. It's very much a conversation between ARB
22 and the individual making the comment.

23 What we need to do is come up with a mechanism
24 for a workshop that looks different. So it is more of a
25 round table discussion at that workshop. So I would

1 suggest that that's a little bit of a hybrid between an
2 Advisory Committee and a traditional workshop. So we're
3 suggesting that we have more interactive workshops where
4 the other stakeholders can engage with each other as well.
5 We're also suggesting that we go to other forums that
6 already exist. We talked about community events and
7 community meetings where folks, for example, advocacy
8 groups are gathered together and perhaps it makes more
9 sense to put us on their agenda rather than try to set up
10 a separate meeting.

11 CHAIRPERSON NICHOLS: I'm sorry. I did didn't
12 mean to interrupt. I think it's very interesting and
13 positive that we have this letterhead here with all of
14 these organizations representing people in the industry
15 because they pulled themselves together. So that
16 hopefully is a forum we can utilize.

17 I was very pleased to see Mr. Jones here. I know
18 you and others have tried to engage the shippers, the
19 people who own the cargo who are key elements of any
20 solutions or anything that's going to shift modes or be
21 really transformative. And clearly, California Retailers
22 Association, these are the right people who are presenting
23 themselves here as interested in this. So that's
24 excellent.

25 I just think we do need to really devote our best

1 thinking to engagement. And I think Mr. Markwalk's
2 suggestion about use of independent third party, not
3 necessarily facilitators in the formal -- I think we've
4 all seen facilitation not necessarily always be
5 successful. But the idea there could be technical people
6 that we might engage for specific topics that could help
7 us with some of these items would also be very useful.

8 Mrs. Riordan, this is one of your areas of
9 expertise here.

10 BOARD MEMBER RIORDAN: It's just that I've been
11 to a lot of workshops. But I think Cynthia made a very
12 valid point. Oftentimes, it is the staff and the audience
13 and it's just sort of a one-on-one. And there isn't the
14 back and forth that needs to happen with people who have
15 different viewpoints. But also different knowledge.

16 And when I went to the Haagen-Schmit conference
17 where this was discussed, the thing I came away with was I
18 was really very uneducated on this topic. And you would
19 think being from Southern California and being very much
20 effected by the freight transportation that I would have
21 known more. But I didn't. And I realized the interaction
22 of that particular symposium was wonderful for educating
23 me, and I needed to learn more.

24 So I encourage you. I don't have a specific
25 recommendation other than to say there must be people out

1 there who understand dynamics and working groups and could
2 assist us just a little bit. Not necessarily as a
3 facilitator, because I agree, some facilitators are
4 wonderful. Some are not wonderful. But at least they
5 give us a process that maybe we could follow. And I think
6 that would be really helpful.

7 Now, there's many, many who would like to
8 participate. And that's going to be an issue, too.
9 Because they certainly need to be heard and their input is
10 very valuable to us. But it's just how to structure that.
11 And good luck. And maybe we'll find somebody that really
12 knows what they're doing.

13 But I'm thinking also of the speaker from
14 Southern California Gas. You know, she's been through it.
15 Maybe she's got an idea. There's somebody out there that
16 could give us some thought about how to make this really
17 helpful because the input that you seek, you want the very
18 best. But it's the process that may impede the real value
19 of that input if we don't get the process right.

20 CHAIRPERSON NICHOLS: Supervisor Gioia.

21 BOARD MEMBER GIOIA: I think this is really
22 timely, and I'm glad we're moving forward with this. And
23 there's so many other things going on that relate to this.

24 You know, we had the earlier discussion about
25 sustainable community strategy. And one of the things

1 we're seeing is some of the areas that have been
2 identified for growth and development frankly are areas
3 often near rail, near ports, including in the Bay Area and
4 in my own area when I live in my own district.

5 So we have these different great public policy
6 objectives, not in conflict, but tension between them. So
7 for example, the plan that was approved in the Bay Area
8 identified priority development areas that make sense from
9 a standpoint of reducing greenhouse gas emissions, but at
10 the same time are near areas that have greater exposure,
11 health exposure.

12 So to the extent we solve this issue, we make it
13 easier to achieve the objectives in the SCS to get
14 development in the right place by addressing these issues
15 in freight. So there's really again these multiple
16 objectives. So I'm glad we're doing this. But I thought
17 I would give an example of where it really carries over o
18 all the other work that's going on. So it's great.

19 CHAIRPERSON NICHOLS: Thank you.

20 I'm going to call on somebody who hasn't raised
21 his hand, but who I know has a lot of experience on this
22 issue. And that's Board Member De La Torre because you've
23 done a lot of work on rail-related community issues and
24 oftentimes speak with the communities that are most
25 impacted here. So what's your thought?

1 BOARD MEMBER DE LA TORRE: I was going to speak.
2 I was just waiting for them to do their thing. Thank you.

3 I would say two things. One, with regard to
4 Angelo Logan's comments, clearly, on the rail side of
5 things, we've made progress in a number of areas. And
6 we've got things that are percolating there that should
7 not wait while we're doing this other broader project.
8 And in developing that, if something comes along that we
9 can really push in the area of rail, or any of the other
10 areas for that matter, it's not hitting the pause button
11 in order to do this plan. So I want to make that really
12 clear, that the expectation is that we will proceed on any
13 one of these fronts as needed.

14 The second is -- and I've had this discussion
15 with staff, that when we are able to identify a
16 game-changing technology, whatever that is, in this area,
17 in the freight area, that we move as quickly as possible
18 to set the standard at that level of performance, whatever
19 it is. And anybody else that comes along -- not tying it
20 to the technology, but to the level of performance and
21 then folks who come along could either use that technology
22 or something else as long as they meet that level of
23 performance. So we're using the level of performance
24 achieved by technology, not by the technology itself to
25 push these folks forward in a way that we may not have

1 done in the past or maybe we have. In this area of
2 freight, I think it's absolutely critical that we do that
3 because for all the reasons we heard earlier today.

4 CHAIRPERSON NICHOLS: Sure.

5 BOARD MEMBER DE LA TORRE: I think these two
6 things are my two main points for today.

7 CHAIRPERSON NICHOLS: I was just going to say I
8 think the mode shift issue is one that needs to be looked
9 at because it's going to come up. And there's always
10 arguments on behalf of any one type of transportation
11 about why they're environmentally superior. I think this
12 well to wheels assessment is going to be really critical
13 as well. Really looking forward to that. And I will look
14 in the other direction now so I can call on others who
15 wish to speak.

16 Mr. Sperling.

17 BOARD MEMBER SPERLING: I'm going to be far more
18 conservative and cautious than I may be ever have been.

19 CHAIRPERSON NICHOLS: It's time to adjourn.

20 BOARD MEMBER SPERLING: It probably is.

21 I think this is of all the things that we've done
22 since I've been on the Board, we should be the most
23 cautious, the most slow, the least expectations moving
24 forward. And you know, people have said it's a complex
25 system. Partly what they're saying is -- and they're

1 saying we don't know much about it. The reason is because
2 we deregulated the freight systems, truck and rail, 30
3 years ago. And when we did that, we stopped collecting a
4 lot of the data. We didn't have researchers focused on
5 it. Government regulation went away. And so there wasn't
6 a lot of attention paid to much of the freight system.

7 And what happened in the meanwhile is a lot of
8 innovation, much more than on the passenger side. So now
9 we have all kinds of inter-modal activity going on, very
10 unlike the transportation where we have almost no
11 intermodal. So it is a very complex system. It is the
12 heart of our economy. And we don't understand a lot about
13 it. So that -- I probably could stop there. But I have
14 just a couple thoughts on that.

15 Yes, I think we can, you know, support looking
16 at -- and support technology demonstrations, not
17 prescribing technologies. Almost all the technologies
18 we're going to prescribe are going to be very expensive
19 and the question is who's going to pay for it. And it's
20 not even clear all the unintended consequences.

21 So what we should really be looking for to make
22 this a success is get an efficiency savings out of the
23 freight system, which are I think potentially very large.
24 And I know I can talk off line. I know things have been
25 done in Europe where they consolidated terminals and they

1 worked at reducing the logistic sprawl we're seeing here
2 in California and the U.S.

3 So I guess the one thought, the one suggestion I
4 have, which is not something we can actually do, is we
5 need an overall framework for how to approach this. Doing
6 all these studies, you know, I love studies. But in this
7 case, I'm skeptical a lot of the studies we at ARB might
8 do. We need an overall framework. So here's my
9 suggestion. Add urban freight to SB 375. That's my
10 suggestion. Someone go talk to the Legislature and get it
11 done.

12 BOARD MEMBER GIOIA: They're related totally.
13 It's interesting. We had these suggestions when we
14 develop our RCS, it comes up against other objectives of
15 how we continue to move freight in an efficient and
16 environmentally sound manner.

17 BOARD MEMBER SPERLING: Since you responded to
18 it, I'll say the reason why it's a good idea is that what
19 SB 375 in a passenger side did it get us all focused get
20 the cities and the counties and everyone focused on what
21 the opportunities are, coming up with metrics to use,
22 getting everyone organized. We are on the passenger side
23 that kind of work because the timing was right. We're so
24 far away from that on the freight side that we do need
25 that. We do need just to get people organized and talking

1 about it and thinking about it and heighten the awareness
2 and actually creating an SB 375 or getting it expanded is
3 I think really a good idea.

4 CHAIRPERSON NICHOLS: Ms. Berg.

5 BOARD MEMBER BERG: Well, thank you very much,
6 Chairman Nichols. And I really appreciate all the
7 thoughtful comments from my fellow Board members.

8 I really appreciated you kicking off talking
9 about the concern of coordinating so many moving parts.
10 And when I look at this, it really is in both hands.

11 On one side is all the moving parts that we have
12 with our partners. And just as Professor Sperling just
13 indicated, the complications of the industry that we're
14 looking at.

15 I'm pleased with the -- staff, great job. This
16 was a difficult thing. It was hard in the symposium and
17 the Haagen-Schmit Symposium. You guys did an incredible
18 job there. And then to bring this information forward in
19 a context to kick it off, great job.

20 My recommendation is we're starting with a blank
21 sheet of paper. We're looking into the future. We're
22 trying to set up our portion of a framework, and I applaud
23 the way you're going to move forward. I really would add
24 the experts as Mary talked about using the cautiousness of
25 Professor Sperling. And within the experts, we all need

1 to be educated. And if we can set up a framework that as
2 those experts are not only educating us, but we can
3 educate all the other stakeholders. So whether that is
4 additional symposiums that other people sponsored but that
5 we can really encourage using the vast and the depth of
6 our academic institutions, I would really encourage that.
7 And as usual, I'm happy to help. Thank you very much.

8 CHAIRPERSON NICHOLS: Thank you.

9 BOARD MEMBER BERG: I would like to say one more
10 thing. I do also agree with Board Member De La Torre on
11 the rail issue and that we do need to look at -- I think
12 we have taken a proactive look at the risks that are
13 happening at the rail yards. And I do agree that that
14 needs to run on a parallel track of what makes sense if
15 there is some low hanging fruit and engage, even though we
16 have left the MOU process, let's not disengage from
17 looking at what the possibilities are with rail, with the
18 Railroad Association, and the two stakeholders and with
19 our rail yards that are most affected. I do support that.

20 CHAIRPERSON NICHOLS: All right. I had called on
21 Judy Mitchell and then passed her by. So forgive me.

22 BOARD MEMBER MITCHELL: Thank you, Chair. Yes.
23 All the opinions expressed here are good ones. And the
24 first hurdle we have is the responsibility for this
25 freight plan isn't on ARB as a primary instigator or

1 implementer. It's on the Department of Transportation.
2 But I think it's incumbent on us to be working with that
3 department because air quality is a major issue that comes
4 out of freight movement.

5 I think that the idea of moving forward with some
6 focus groups is excellent, because I, as well as some
7 others on this Board, have been approached by groups that
8 are interested in knowing what's happening in freight
9 movement. They apparently are not getting information and
10 communication somehow through an outreach process. I
11 think we can do that. We know how to do that. We can use
12 local air districts to do it as well. My air district is
13 very experienced in doing that.

14 And I want to say, too, that a lot has already
15 been done. And there are some pretty dramatic reductions
16 that we have seen over voluntary efforts that have
17 happened in the port of Long Beach and the port of Los
18 Angeles. And there's lessons to be learned there.

19 Cal State Long Beach is an academic institution
20 that's been very involved with the Ports in Long Beach and
21 Los Angeles and can be probably a good resource.

22 I do think there will be a need for some data
23 collection. But some of that work may have already been
24 done as well. The data collection is most critical in the
25 logistics sector. Where is the freight going? Where is

1 it coming from? The intermodal yards, how are they
2 working? And that will be a tough thing to do, but I
3 think probably some work has been done in that area by
4 entities already involved in logistics and the movement of
5 freight.

6 I also think there is the concern out there that,
7 well, we're doing a lot of talking about this. But what
8 are we actually doing about it? So I do think that while
9 focus groups and communication is essential, we need to
10 also be thinking about what the action is that we promote
11 and support and ask to happen and that happens only in
12 conjunction with the Department of Transportation and the
13 other agencies that are involved.

14 Also there is new technology. And the South
15 Coast Air District is experimenting with new technology.
16 We have a number of projects that are demonstrating new
17 technology. There are electric trucks under development
18 today. They're out there. They're being used. There are
19 Tier IV locomotives out there today. And there is a
20 growing interest by the rail roads to use LNG locomotives
21 or LNG hybrids with diesel combination. That comes about
22 because natural gas is becoming less expensive, and it's
23 more economical way to operate their systems. And I think
24 engaging the rail roads is a good idea. We need to be
25 working with them to move forward into the cleanest

1 possible locomotives that we can find and bring about.

2 There is an interesting development in the South
3 Coast in the metro, which is a passenger system. It has
4 just ordered 14 or 15 Tier 4 locomotives to be operated on
5 the passenger system. So there's movement forward here.
6 There's a lot happening. And I think we should be getting
7 our fingers into the pot and working with them to see that
8 this goes forward.

9 And technology is drastically developing. We
10 need to be keeping on top of that to see what's coming
11 out. As I said, electric motors, fuel cell vehicles. And
12 I think fuel cell provides a real viable alternative for
13 heavy-duty trucks. The issue still with heavy-duty trucks
14 is you have to get enough horsepower. With locomotives,
15 you have to get sufficient horsepower to move those big
16 engines. And so heavy-duty trucks, fuel cell vehicles
17 will be a clean way to go as well as electric motor
18 trucks.

19 So good things are coming. We just need to be
20 paying attention to it and start working on that. Thank
21 you.

22 CHAIRPERSON NICHOLS: Thank you. Dr. Balmes and
23 then --

24 BOARD MEMBER BALMES: Given the time, I'll try to
25 be brief.

1 First off, I want to third the suggestion from
2 Mr. De La Torre that we need to deal with rail yard
3 exposure sooner rather than later just on the health side.
4 Mr. Logan was articulate about this point and I agree.
5 I'll all for the planning that staff has outlined very
6 thoughtfully with regard to the sustainable freight
7 strategy. I don't think we can wait two years to sort of
8 deal with the rail yards in terms of the community
9 exposures right around those rail yards.

10 The other thing I wanted to say, I'm surprised my
11 fellow Board members mention haven't mentioned so far. I
12 thought it was striking to hear both environmental groups
13 talking about being ready to work with industry and then
14 representative of the rail roads talking about being ready
15 to work with the environmental stakeholders. And I think
16 it's a bit extraordinary to hear this level of enthusiasm
17 for working together on this issue.

18 And I really think that Cynthia Marvin's point
19 about hybrid workshops where these different voices can
20 and perspectives can be heard and maybe there can be some
21 constructive middle ground that comes out. So I think
22 that was extraordinary and I applaud the speakers who made
23 those points and Cynthia's suggestion how to try to
24 capture the different perspectives. And I agree with most
25 of -- well, I agree with almost everything that my fellow

1 Board members have stated.

2 CHAIRPERSON NICHOLS: Thank you.

3 Mr. Serna.

4 BOARD MEMBER SERNA: Thank you, Madam Chair.

5 First of all, I want to express thanks that staff
6 has done the work they have to date on this suggest. Two
7 comments, general comments. I'll try to be brief.

8 The first is it seems to me that this is kind of
9 a missing link, because it cross pollinates with some many
10 of the other efforts that ARB is involved with right now,
11 including the Scoping Plan update. And you know, I wanted
12 to make sure we don't lose sight of the fact that there is
13 a lot of interest here at this agency, certainly a few
14 blocks away at the Capitol on short-lived climate
15 pollutant and what are the co-benefits we enjoy by
16 reducing black carbon emissions in particular. I think as
17 we move forward in developing the strategy, if we can
18 consistently remind ourselves about how we not only hit
19 the objectives of the freight strategy itself, but also
20 how do we progress further the objectives of AB 32
21 obviously. And in particular, how do we keep note of what
22 we're intending to do through the Scoping Plan update. I
23 think that's certainly an opportunity that we need to
24 exploit in a positive way.

25 The second thing I want to mention, and this is

1 probably because I'm the most recent appointee candidate
2 to have gone through the confirmation process. There is a
3 great deal of interest I will tell you firsthand -- I know
4 many of you know this already at the Legislature -- about
5 the freight strategy and what it's going to do in terms of
6 helping us meet SB 535 objectives in terms of the
7 application of resources from cap and trade for
8 disadvantaged communities.

9 Again, there is a great opportunity in front of
10 us to really stay focused on both the directives in that
11 piece of legislation and what I think we're all hearing
12 today in terms of the overall general approach that the
13 strategy is going to lead to reduced emissions. But those
14 are the things I think we have great opportunity to really
15 kill multiple birds with one stone. Thanks.

16 CHAIRPERSON NICHOLS: Thank you.

17 There is a point at a meeting which one can say
18 everything has been said, but not everything has been said
19 by everybody. I think we may have reached that point in
20 this discussion. So I'm going to try to draw us to focus
21 on the Resolution.

22 But I do want to just add one thought to the list
23 of things that have been identified. It was mentioned in
24 passing. And that is that our freight system operates not
25 only in interstate but international commerce. And to the

1 extent that we're also looking at international activities
2 and benchmarking what we do here and providing technical
3 assistance issues relating to both the ports and the
4 border crossings are going to come up on our screen and
5 are going to be important as well. So just to throw that
6 into the mix as well, especially when we're talking to
7 legislators.

8 Did you want to have one more point?

9 BOARD MEMBER MITCHELL: I did. I was going to
10 move to adoption of the Resolution.

11 CHAIRPERSON NICHOLS: Good.

12 BOARD MEMBER SHERRIFFS: Second.

13 BOARD MEMBER GIOIA: I'll second.

14 BOARD MEMBER MITCHELL: I'd like to offer a
15 couple of amendments. These are minor. In the first
16 paragraph of the resolved section, after the phrase
17 "environmental and community groups" --

18 BOARD MEMBER GIOIA: Where are you in the
19 Resolution?

20 BOARD MEMBER MITCHELL: On page five. One after
21 resolved.

22 That in had the second line of that first
23 paragraph where it says after "environmental and community
24 groups," I would put a comma and say "focusing on" or
25 "focus on environmental justice groups." Because actually

1 Supervisor Serna raised that I think it's an important
2 issue that I know we are going to do that anyway, but I
3 think it's good to pull that out and actually draw it out
4 and mention it specifically.

5 CHAIRPERSON NICHOLS: So you want to add
6 "environmental justice"?

7 BOARD MEMBER GIOIA: I think that's a good -- I
8 was going to speak to that point. Whether we use the term
9 "focused" when you say environmental, it may -- I think we
10 just call them out and say environmental justice groups.
11 I think that's a good way to do it.

12 BOARD MEMBER MITCHELL: As long as that is
13 mentioned.

14 CHAIRPERSON NICHOLS: Okay.

15 BOARD MEMBER MITCHELL: The other item was one
16 that was brought up by Mr. Markwald. And that was in
17 paragraph two I think we might add in there that we
18 undertake a systems analysis as well. I think that would
19 be an important part of this process.

20 CHAIRPERSON NICHOLS: I think we can add that.

21 BOARD MEMBER MITCHELL: Those two amendments.

22 CHAIRPERSON NICHOLS: I think we can insert that
23 language as well, without objection.

24 Are there any other proposed amendments as we're
25 working on the Resolution. Seeing none --

1 BOARD MEMBER BALMES: I'll second.

2 CHAIRPERSON NICHOLS: We have a second here. Dr.
3 Sherriffs beat you to it. I'm going to call the question
4 here then. All in favor of the resolution please say aye.

5 (Ayes)

6 CHAIRPERSON NICHOLS: Any opposed? Any
7 abstentions?

8 Great. Okay. Thank you all very much. This is
9 exciting. And there is obviously a sense that the time
10 has come. I think we've got the basics here. Obviously,
11 a lot more work to be done. But thanks everybody for
12 participating.

13 Do we have any other -- good. No other business
14 to come before this body. We will be adjourned.

15 (Whereupon the Air Resources Board meeting
16 adjourned at 2:47 PM)

17

18

19

20

21

22

23

24

25

