

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

CALEPA HEADQUARTERS
BYRON SHER AUDITORIUM
SECOND FLOOR
1001 I STREET
SACRAMENTO, CALIFORNIA

THURSDAY, JULY 23, 2015

9:06 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

A P P E A R A N C E S

BOARD MEMBERS:

Ms. Mary Nichols, Chair

Ms. Sandra Berg, Vice Chair

Dr. John Balmes

Mr. Hector De La Torre

Supervisor John Gioia

Mr. John Eisenhut

Ms. Judy Mitchell

Mrs. Barbara Riordan

Supervisor Ron Roberts

Supervisor Phil Serna

Dr. Alexander Sherriffs

Professor Daniel Sperling

STAFF:

Mr. Richard Corey, Executive Officer

Dr. Alberto Ayala, Deputy Executive Officer

Ms. Edie Chang, Deputy Executive Officer

Mr. Kurt Karperos, Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Ms. La Ronda Bowen, Ombudsman

Mr. Inder Atwal, Air Pollution Specialist, Strategic
Planning Development Section, Mobile Source Control
Division(MSCD)

A P P E A R A N C E S

STAFF:

Ms. Christina Morkner Brown, Assistant Chief Counsel

Mr. Michael Carter, Branch Chief, Mobile Source Regulatory Development Branch, MSCD

Mr. Gregory Harris, Air Pollution Specialist, Transportation and Toxics Division(TTD)

Mr. Douglas Ito, Assistant Division Chief, TTD

Mr. Nesamani Kalandiyur, Manager, Transportation Analysis Section, AQPSD

Mr. Robert Krieger, Manager Emissions Evaluation Section, TTD

Mr. Stephen Lemieux, Manager, On-Road Heavy Duty Diesel Section, MSCD

Ms. Karen Magliano, Chief, Air Quality Planning and Science Division(AQPSD)

Ms. Cynthia Marvin, Chief, TTD

Ms. Claudia Nagy, Attorney

Ms. Terry Roberts, Manager, Sustainable Communities Policy and Planning Section, AQPSD

Ms. Kim Heroy-Rogalski, Manager, Strategic Planning and Development Section, MSCD

Mr. Jon Taylor, Assistant Division Chief, AQPSD

Ms. Amy Volz, Air Pollution Specialist, Sustainable Communities Policy and Planning Section, AQPSD

Mr. Alexander Wang, Senior Attorney

Mr. Erik White, Division Chief, MSCD

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Alan Abbs, California Air Pollution Control Officers Association

Mr. Jason Barbose, Union of Concerned Scientists

Ms. Jennifer Barrera, California Chamber of Commerce

Mr. Will Barrett, American Lung Association

Mr. Andrew Chesley, San Joaquin Council of Governments

Mr. Larry Greene, Sacramento Metropolitan Air Quality Management District

Ms. Ahron Hakimi, Kern Council of Governments

Mr. Henry Hogo, South Coast Air Quality Management District

Mr. Todd Kahl, Coastside Service

Ms. Carey Knecht, Climate Plan

Ms. David Lusk, Butte County Air Quality Management District

Mr. Bill Magavern, Coalition for Clean Air

Dr. Melanie Marty, California Office of Environmental Health Hazard Assessment

Ms. Christine McCain, Environmental Defense Fund

Ms. Jerilyn Lopez Mendoza, Souther California Gas

Dr. Ben Sharpe, The International Council of Clean Transportation

Mr. Mikhael Skvarla, California Council for Environmental and Economic Balance

Ms. Dave VanMullem, Santa Barbara Air Pollution Control District

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Ms. Jill Whynot, South Coast Air Quality Management
District

Ms. Ella Wise, Natural Resources Defense Council

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1 P R O C E E D I N G S

2 CHAIR NICHOLS: Our sound system is working.
3 Yes, it is. Okay. We're ready to go then. Good morning,
4 everyone. The July 23rd 2015 public meeting of the Air
5 Resources Board will come to order. And as is our custom,
6 we will say the Pledge of Allegiance before we start.

7 (Thereupon the Pledge of Allegiance was
8 recited in unison.)

9 CHAIR NICHOLS: Madam Clerk, would you please
10 call the roll?

11 BOARD CLERK JENSEN: Dr. Balmes?

12 BOARD MEMBER BALMES: Here.

13 BOARD CLERK JENSEN: Ms. Berg?

14 BOARD MEMBER BERG: Here.

15 BOARD CLERK JENSEN: Mr. De La Torre?
16 Mr. Eisenhut?

17 BOARD MEMBER EISENHUT: Here.

18 BOARD CLERK JENSEN: Supervisor Gioia?

19 BOARD MEMBER GIOIA: Here.

20 BOARD CLERK JENSEN: Ms. Mitchell?

21 BOARD MEMBER MITCHELL: Here.

22 BOARD CLERK JENSEN: Mrs. Riordan?

23 BOARD MEMBER RIORDAN: Here.

24 BOARD CLERK JENSEN: Supervisor Roberts?

25 BOARD MEMBER ROBERTS: Here.

1 BOARD CLERK JENSEN: Supervisor Serna?

2 BOARD MEMBER SERNA: Here.

3 BOARD CLERK JENSEN: Dr. Sherriffs?

4 BOARD MEMBER SHERRIFFS: Here.

5 BOARD CLERK JENSEN: Professor Sperling?

6 BOARD MEMBER SPERLING: Here.

7 BOARD CLERK JENSEN: Chairman Nichols?

8 CHAIR NICHOLS: Here.

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

11 CHAIR NICHOLS: Great. A couple of announcements
12 before we get started relating to the building itself and
13 to our procedures. If there's anyone here who's not
14 accustomed to appearing at the Board, we have a request to
15 speak card that's available outside in the lobby. Anyone
16 who wishes to speak on any item or during the public
17 comment period is requested to put in a card before the
18 meeting so we know how many people we should plan to make
19 time for.

20 There will be a three-minute time limit for
21 witnesses. I'm also required to tell you that there are
22 exits from this room. In the event of an emergency, you
23 should proceed out the exits in the back of the room or at
24 the side here, if you're in the front, and go downstairs.
25 In case a fire alarm rings during the course of the

1 meeting, we will have to evacuate it immediately and stay
2 outside in the park across the street until we get the
3 all-clear signal. I think that's it for the mandatory
4 announcements.

5 We have several items this morning on our consent
6 calendar. And with each of them all the information has
7 been posted and the Board members are familiar with them.
8 But if anyone chooses to ask that the item be taken off of
9 the consent calendar, they may do so, and then we would
10 proceed to a hearing on that item. So let me just run
11 through those.

12 We have, first of all, the first item which is
13 consideration of appointments of two new members to the
14 Research Screening Committee. Is there anyone who wishes
15 to those to not be on consent?

16 All right. Then I will just go ahead and call
17 for a vote on that item.

18 All those in favor, please say aye?

19 (Unanimous aye vote.)

20 CHAIR NICHOLS: Any opposed?

21 Any abstentions?

22 Okay. Great.

23 The second one is a public meeting to consider
24 research proposals and contract augmentations. This is
25 coming from our Research Division. Is there anybody who

1 would like to see those taken off consent?

2 No. All right. Then let's go ahead and have
3 a -- call for vote on those.

4 All in favor please say aye?

5 (Unanimous aye vote.)

6 (Ms. Berg and Professor Sperling abstaining.)

7 CHAIR NICHOLS: Any opposed?

8 Okay. Any abstentions.

9 BOARD MEMBER BERG: Yes.

10 CHAIR NICHOLS: One abstention. Ms. Berg. Okay.
11 Thank you.

12 BOARD MEMBER SPERLING: Here, too.

13 CHAIR NICHOLS: And also Dr. Sperling. Didn't
14 get your hand up fast enough.

15 (Laughter.)

16 CHAIR NICHOLS: Okay. Item 3, which is the
17 public meeting to consider the transportation conformity
18 budgets for the San Joaquin Valley fine particle State
19 implementation plan supplement. Any concern about having
20 those go forward on consent?

21 All right. Then seeing none, I'll just call for
22 the vote on that one?

23 All in favor please say aye?

24 (Unanimous aye vote.)

25 CHAIR NICHOLS: Any opposed?

1 Any abstentions?

2 All right. Another consent item, which is a
3 meeting to consider submission of waiver and authorization
4 measures. Any issues with those?

5 All right. Seeing none. I think it is important
6 to vote on them separately just to make sure that there's
7 not any question about any of this.

8 So all in favor please say aye?

9 (Unanimous aye vote.)

10 CHAIR NICHOLS: Opposed?

11 Abstain?

12 Public meeting to select and appoint a Vice Chair
13 is our next item, which is not a consent item, is that
14 right?

15 This is a major issue.

16 (Laughter.)

17 CHAIR NICHOLS: I want to say a couple of words
18 about this one actually. So first of all, as you know,
19 there is no statutory provision for a Vice Chair of the
20 Air Resources Board. So lest anybody think that we are,
21 you know, exceeding our authority here, I wanted to make
22 sure that you know that we have researched this, and that
23 it is proper and legal for us to create such a position,
24 since it's, in fact, a courtesy provision without any
25 additional duties or responsibilities.

1 There is another item that I also wanted to
2 mention at the same time, although it's not directly
3 connected to the resolution on this. It's implicit. And
4 that is that this new position is to be called either Vice
5 Chairperson when referring to them formally or Vice Chair,
6 not Vice Chairman or Vice Chairwoman.

7 And this has been an issue for as long as I've
8 been on the Air Sources Board. And so I want to take a
9 minute. I believe there's only one member of this Board
10 who's ever actually asked me why it was that I chose to be
11 referred to as Chairman?

12 This, in fact, dates back to my first time of
13 service on the Board, when -- this is in the 1970's
14 remember -- as a feminist, I was arguing that the title
15 was just the title of the position and didn't, in fact,
16 implicate whether the person was male or female. I
17 thought that the more correct gender-neutral approach to
18 this, was to use the historic title.

19 Since that time, however, the legislature has
20 actually seen fit to, in a sweeping vote, change every
21 single title of Chairman in every Board or Commission in
22 the State of California, is now, in fact, a Chairperson.
23 So this is not just something that is happening
24 arbitrarily. This is based on the Air Resources Board
25 once again making sure that we are acting in strict

1 conformity with the edicts of the legislature.

2 (Laughter.)

3 CHAIR NICHOLS: So I have decided that I'm -- I'm
4 just letting you know that when we get new stationary, and
5 hence forth in our emails and meetings and so forth, that
6 I am no longer going to be Chairman Nichols. I am either
7 Chairperson Nichols or Chair Nichols. So I think this
8 could be a major change or it could be that no one will
9 notice, but I felt I should at least let you all know that
10 this is about to happen.

11 But in any event, what that means is that we now
12 have a resolution to create a position and to appoint a
13 person as Vice Chair or Chairperson.

14 And so I call for any questions, comments or a
15 motion?

16 Yes.

17 BOARD MEMBER SERNA: Well, Chair Nichols.

18 (Laughter.)

19 CHAIR NICHOLS: I thank you.

20 (Laughter.)

21 BOARD MEMBER SERNA: I would like to suggest that
22 we consider appointment of our esteemed colleague Sandy
23 Berg to serve as Vice Chair or Chairperson for our Board.
24 I've had a chance to work with Sandy closely over the last
25 year, and certainly come to -- certainly respect her

1 dedication to all things ARB. And I know that she
2 actually attends the meetings. I don't know that you've
3 ever missed a meeting, since I've been here. It's been a
4 couple years, but I would like to make that motion that we
5 appoint Sandy Berg Vice Chair, Chairperson to this Board.

6 CHAIR NICHOLS: Okay. Very good. Do we have a
7 second?

8 BOARD MEMBER MITCHELL: I'll second.

9 BOARD MEMBER BALMES: I'll second the second.

10 CHAIR NICHOLS: We should make a second
11 nomination here.

12 BOARD MEMBER BALMES: But I would just like to
13 say personally that I can't of a better person to be Vice
14 Chair than Sandy Berg. I think -- my line about her is
15 that she's the hardest working Board member, outside of
16 Chair Nichols.

17 (Laughter.)

18 BOARD MEMBER BALMES: And so I just -- I think
19 it's a great idea, and will allow for a seamless meeting
20 leadership when the Chair may have to be away.

21 CHAIR NICHOLS: Great. Thank you. Any other
22 necessary remarks here?

23 If not, we can just have a vote. We have a
24 Resolution number 15-42 in front us. We have a motion and
25 a second.

1 So all in favor, please say aye?

2 (Unanimous aye vote.)

3 CHAIR NICHOLS: I didn't close the nominations.
4 I'm sorry, but I guess it wasn't really necessary.

5 (Laughter.)

6 CHAIR NICHOLS: Any opposition?

7 Hearing none. All right. This is terrific.
8 Thank you so much.

9 (Applause.)

10 CHAIR NICHOLS: All right. Moving right along
11 here. I feel like it should come at least with, you know,
12 a bouquet or something.

13 (Laughter.)

14 CHAIR NICHOLS: Maybe later.

15 Okay. Thank you so much for agreeing to do this,
16 Sandy. It's going to be a big help to me and all of us.

17 Okay. The next item is a presentation on the
18 staff's evaluation of the greenhouse gas determination for
19 the Kern County Council of Governments Sustainable
20 Communities Strategy, otherwise known as the SCS.

21 The Kern Council of Governments adopted a
22 Sustainable Communities Strategy last year, in accordance
23 with SB 375. Today, we are going to see the staff's
24 modeling results -- their technical evaluation of the
25 modeling I should say that underlines the COG's greenhouse

1 gas quantification.

2 This item involves a formal Board action to
3 either accept or reject the Kern COG's determination that
4 its SCS meets the greenhouse gas emissions reduction
5 targets that were set by this Board. I'm pleased to see
6 that we have representatives of the Kern Council of
7 Governments here today. We welcome them and thank them
8 for coming.

9 Mr. Corey, would you please introduce this item?

10 EXECUTIVE OFFICER COREY: Yes. Thank you, Chair
11 Nichols. In 2010, the Board set per capita greenhouse gas
12 emission reduction targets for the 18 metropolitan
13 planning organizations, or MPOs, in California under SB
14 375. For the eight MPOs in the San Joaquin Valley, those
15 targets are five percent per capita reduction by 2020, and
16 10 percent per capita reduction by 2035.

17 ARB's role in implementing SB 375 also includes
18 evaluating greenhouse gas determinations prepared by the
19 MPOs, and either accepting or rejecting each MPO's
20 determination that is Sustainable Communities Strategy, or
21 SCS, would be meet the targets.

22 Staff's evaluations are based on a general
23 technical methodology that was developed in 2011 and has
24 been used to evaluate 12 other SCSs. The first round of
25 regional transportation plans and SCSs for the San Joaquin

1 Valley were completed last summer. Previously, you've
2 considered the SCSs from the Fresno, the San Joaquin, and
3 the Stanislaus Counties.

4 Today, you'll consider another SCS from the
5 valley, that of Kern Council of Governments, or also known
6 as Kern COG. ARB staff has been working with the Kern COG
7 staff over the past several months to obtain and analyze
8 the necessary information to complete our evaluation.
9 Kern COG provided staff a copy of its travel model; the
10 ability to run this model facilitated staff's evaluation
11 of the greenhouse gas quantification.

12 We have representatives, as noted, from Kern COG
13 here today including Ahron Hakimi, the Executive
14 Director, who will speak after staff's presentation.

15 I'll now ask Amy Volz to begin the staff
16 presentation.

17 Amy.

18 (Thereupon an overhead presentation was
19 presented as follows.)

20 AIR POLLUTION SPECIALIST VOLZ: Thank you, Mr.
21 Corey and members of the Board. This is the fourth of the
22 San Joaquin Valley's Sustainable Communities Strategies
23 presented to the Board.

24 In today's presentation, I will briefly describe
25 the Kern County region, highlight the key elements of the

1 Sustainable Communities Strategy adopted by the Kern
2 Council of Governments, also known as Kern COG, and
3 summarize the results of staff's technical evaluation of
4 Kern COG's greenhouse gas quantification.

5 --o0o--

6 AIR POLLUTION SPECIALIST VOLZ: Under SB 375, the
7 Air Resources Board has the responsibility to set
8 passenger vehicle greenhouse gas reductions targets for
9 California's 18 metropolitan planning organizations, or
10 MPOs. In September 2010, the Board set targets for each
11 of the eight MPOs in the San Joaquin Valley, including
12 Kern County at five percent per capita reduction by 2020,
13 and 10 percent capita reduction by 2035.

14 To achieve these targets, Kern COG developed its
15 2014 regional transportation plan and Sustainable
16 Communities Strategy, or RTP SCS. It includes strategies
17 that focus growth in existing urban areas encourage more
18 jobs in housing near transit and increased opportunities
19 for transit and active transportation, such as biking and
20 walking.

21 The combination of land use and transportation
22 strategies and the 2014 RTP SCS would enable the region to
23 reduce its development footprint by 2035, compared to the
24 previous RTP adopted in 2011.

25 The SCS reflects sustainable development policies

1 from the recently updated general plans, climate action
2 plans, and sustainability plans of several cities in the
3 region, including Maricopa, Delano, Ridgecrest, Taft and
4 Tehachapi.

5 These plans and policies demonstrate a
6 willingness of local communities to implement the types of
7 sustainable development and transportation strategies
8 found in the 2014 RTP SCS.

9 --o0o--

10 AIR POLLUTION SPECIALIST VOLZ: Kern County is
11 the largest county in the San Joaquin Valley, directly
12 north of Los Angeles. There are two major north/south
13 transportation corridors, Interstate 5 and Highway 99,
14 which carry a large amount of freight traffic through the
15 county. The region is mostly rural, and nearly 1/4th of
16 the county's jobs are in agriculture or natural resource
17 extraction.

18 --o0o--

19 AIR POLLUTION SPECIALIST VOLZ: The county IS
20 currently home to almost 850,000 people and is projected
21 to grow to almost 1.5 million people by 2014, which is the
22 horizon date of the regional plan. In this map, the
23 population of the 11 incorporated cities is represented by
24 the size of the gray circles. The largest city in
25 Bakersfield with a population of almost 350,000.

1 The larger Bakersfield metropolitan area is home
2 to over 500,000 people, or almost 60 percent of the
3 county's population. This will continue to be the major
4 urban area of the county with about 65 percent of new
5 growth forecasted to occur here.

6 Delano, Ridgecrest, and Wasco are the next
7 largest cities, all with populations under 55,000. About
8 30 percent of the region's population lives in numerous
9 small rural communities.

10 --o0o--

11 AIR POLLUTION SPECIALIST VOLZ: This map shows
12 that 70 percent of the land in Kern County is dedicated to
13 non-urban and public uses. The various shades of brown
14 indicate federal and State land holdings, farmland,
15 mineral resource areas, parks, desert, and habitat
16 preserves. Only about six percent of the county's land
17 area is covered by the 11 incorporated cities.

18 This resource-focused economy contributes to a
19 dispersed employment base with most of the region's job
20 centers located in rural areas outside population centers.

21 --o0o--

22 AIR POLLUTION SPECIALIST VOLZ: Kern COG's SCS
23 addresses the challenges of a dispersed employment base,
24 through land use and transportation strategies for both
25 rural and urban areas. Land use strategies in the urban

1 areas are focused on shortening vehicle trips by
2 encouraging infill development, diversifying the housing
3 stock with more compact housing, and more jobs and housing
4 near transit.

5 For example, the RTP SCS anticipates
6 approximately 20 percent of new development will be added
7 to infill areas in metropolitan Bakersfield. The focus on
8 infill development within the existing urban areas will
9 help to promote transit use, as over 60 percent of all
10 housing and 75 percent of all jobs would be located within
11 one half mile of a transit station by 2040.

12 Kern COG will also add over 700 miles of new bike
13 lines to promote active transportation throughout the
14 region, including downtown areas and regional connections.
15 In the metro Bakersfield area, there would be new express
16 bus and rapid bus routes, in addition to three new bus
17 transfer stations, helping to connect jobs and employment
18 within and between urban areas.

19 Because carpooling is a significant travel mode
20 for commuters, the SCS promotes carpooling and vanpooling
21 to employment centers in rural areas. Kern COG plans to
22 expand the number of vanpools and increase the number of
23 park-and-ride parking spaces region wide. Kern COG's
24 first carpool lanes will be in place by 2040.

25 Kern COG projects that if all these strategies

1 are implemented, the region would be able to achieve per
2 capita reductions of about 14 percent in 2020, and about
3 17 percent in 2035.

4 --o0o--

5 AIR POLLUTION SPECIALIST VOLZ: The 2014 RTP SCSs
6 move to creating a more sustainable growth pattern is
7 reflected in expected changes in population density.
8 These figures depict the historic and currently forecasted
9 pattern of new growth in the metropolitan Bakersfield
10 area, where most of the new growth will occur.

11 The figure in the upper left represents the
12 dispersed low density distribution pattern that was
13 projected in 2006. In the upper right, we see that the
14 prior RTP begins to discourage growth on the urban fringe
15 by bringing new development closer to the city's center.

16 The bottom figure represents the more compact
17 urban form based on the 2014 RTP SCS further concentrating
18 growth in the downtown area.

19 --o0o--

20 AIR POLLUTION SPECIALIST VOLZ: Recent
21 development projects are revitalizing the downtown area by
22 bringing in more residential and commercial uses. This
23 slide highlights several projects that have been built in
24 the past few years in Bakersfield.

25 The Baker Street Mixed Use Development featured

1 in the upper left consists of 37 residential units, over
2 10,000 square feet of community and commercial space. The
3 Bakersfield Arts Alive District in the upper right covers
4 16 blocks with residential and commercial space and
5 incorporates the oldest building in Bakersfield and a
6 historic hotel. The Mill Creek District in the bottom
7 photo includes commercial development, senior and
8 market-rate housing, and parks. Each of these projects
9 has one recognition from the San Joaquin Valley Blueprint
10 Awards Program.

11 --o0o--

12 AIR POLLUTION SPECIALIST VOLZ: Recognizing that
13 it takes resources to implement the SCS, Kern COG has
14 actively pursued and obtained State discretionary funding
15 to implement sustainable development projects. This year,
16 Kern COG will receive \$2.6 million in affordable housing
17 and sustainable communities funds from the Strategic
18 Growth Council for a senior citizen apartment project in
19 downtown Bakersfield.

20 And another \$3 million for a vanpool expansion
21 project targeting farm workers in several counties,
22 including concern. Kern COG has also been awarded
23 approximately \$300,000 from the Caltrans Low Carbon
24 Transit Operation Program. This funding will be used to
25 enhance bus shelters, install solar righting, implement

1 GPS vehicle locating systems, add transit security
2 cameras, and will cover cost of transit operation and the
3 purchase of bus passes for low-income riders.

4 In 2014, Kern COG received approximately
5 \$8,000,000 in Caltrans active transportation grants, more
6 than any other MPO in the valley. These funds will be
7 used for both local and regional pedestrian infrastructure
8 improvements, such as improved lighting, sidewalk
9 improvements and construction of walking paths.

10 To help address mobility needs in rural areas,
11 Caltrans recently awarded a \$500,000 transportation
12 planning grant to the eight valley MPOs and the University
13 of California at Davis, Institute of Transportation
14 Studies, who will jointly conduct a shared access pilot
15 program. This program will look at car, bike, and
16 ridesharing options, as well as other alternatives that
17 may meet the mobility needs of rural communities in the
18 valley.

19 Just last month, the ARB Board approved a funding
20 plan for fiscal year 2015-16 that will provide an
21 additional \$37 million for light-duty vehicle pilot
22 projects to benefit disadvantaged communities. One of
23 these pilot projects will target turnover of the
24 agricultural worker vanpool fleet in the San Joaquin
25 valley, providing additional State resources to ensure

1 that vanpool operators in this region have access to clean
2 vehicles.

3 --o0o--

4 AIR POLLUTION SPECIALIST VOLZ: The next half of
5 the presentation addresses ARB staff's technical
6 evaluation of Kern COG's greenhouse gas quantification,
7 which followed the evaluation process described in our
8 July 2011 technical methodology paper. Staff looked at
9 four key components of an MPO's travel demand modeling
10 system in order to understand how the MPO quantified the
11 greenhouse gas reductions from the SCS.

12 These components include the performance
13 indicators, modeling tools, data inputs and assumptions,
14 and the model's sensitivity to the strategies in the SCS.
15 I will briefly describe five performance indicators in
16 then next slide.

17 --o0o--

18 AIR POLLUTION SPECIALIST VOLZ: This performance
19 indicator is for the metropolitan Bakersfield area only,
20 since the majority of the region's projected growth will
21 occur here. This graph shows the difference in average
22 residential density between the prior 2011 RTP and the
23 2014 RTP SCS, using a dwelling-units-per-residential-acre
24 metric. The average density would increase by about 40
25 percent with the 2014 RTP SCS, as compared to the prior

1 RTP.

2 --o0o--

3 AIR POLLUTION SPECIALIST VOLZ: The SCS also
4 represents a notable departure from the historic trend of
5 large-lot single-family home construction. In this graph,
6 the two bars on the left represent single-family housing,
7 and the bars on the right represent a combination of small
8 lots single-family and multi-family housing units. Again,
9 this represents new development for metropolitan
10 Bakersfield.

11 The percentage of single-family housing would
12 decrease from nearly 80 percent to about 50 percent of all
13 new housing units, while small lot and multi-family
14 housing would increase from about 20 percent to about 50
15 percent of all new housing units.

16 --o0o--

17 AIR POLLUTION SPECIALIST VOLZ: The SCS also
18 encourages more growth in housing depicted in the left in
19 the slide and jobs depicted on the right near existing and
20 future transit service throughout the county. By 2035,
21 the SCS would result in significant increases in the
22 number of housing units and jobs within a half mile of a
23 transit station or a stop, as compared to the prior RTP.

24 --o0o--

25 AIR POLLUTION SPECIALIST VOLZ: The 2014 RTP

1 budget of approximately \$12 billion through 2040 shows a
2 shift in the region's funding priorities. Compared to the
3 prior RTP, the 2014 RTP SCS allocates a smaller share of
4 total funding for roadway expansion and a greater share of
5 total funding for transit and bike and pedestrian
6 infrastructure.

7 --o0o--

8 AIR POLLUTION SPECIALIST VOLZ: We also looked at
9 the trend between per capita vehicle miles traveled, or
10 VMT, and CO₂ emissions. The blue line in this graph shows
11 what the decrease in the daily VMT per capita in 2020 and
12 2035 would look like, based on the COG's data. The green
13 bars represent the decrease in per capita CO₂ emissions
14 over the same time period.

15 Although the recession contributes to this sharp
16 decrease between 2005 and 2020, the trend is what we would
17 expect with a continued decline of per capita VMT and CO₂
18 Avenue 2020.

19 --o0o--

20 AIR POLLUTION SPECIALIST VOLZ: Kern COG provided
21 ARB with a copy of its travel demand model, which is based
22 on the Cube software and similar to other valley models.
23 To evaluate alternative land-use scenarios, Kern COG used
24 UPlan, a web-based land use decision support tool used by
25 several other small MPOs.

1 Staff also reviewed model input assumptions
2 regarding demographics and growth forecasts, the region's
3 current and future land use and transportation network,
4 and auto operating costs. We found these assumptions to
5 be reasonable and similar to those of other value MPOs.

6 --o0o--

7 AIR POLLUTION SPECIALIST VOLZ: To determine if
8 the model was adequately sensitive to the SCS strategies,
9 ARB collaborated with Kern COG staff to design and run
10 sensitivity tests on several land use and transportation
11 variables. These include transit frequency, residential
12 density, proximity to transit, and household income.

13 Based on the results of these tests, the model's
14 response to these variables is consistent with the
15 empirical literature.

16 In it's draft SCS, Kern COG attempted to quantify
17 the effect of individual SCS strategies and model
18 assumptions on greenhouse gas emissions, and concluded
19 that a higher auto operating cost in a 2040 scenario would
20 result in about eight percent per capita reduction in
21 emissions. After the SCS was adopted, ARB staff and Kern
22 COG staff collaborated to perform additional sensitivity
23 tests to clarify the effect of auto operating cost. Based
24 on these further sensitivity tests, ARB staff concluded
25 that the effect would be closer to a three percent

1 reduction by 2035. This result is reasonable and
2 comparable with the results from other MPO's models.

3 --o0o--

4 AIR POLLUTION SPECIALIST VOLZ: Based on the
5 results of its technical evaluation, staff recommends that
6 the Board accept Kern COG's determination that its 2014
7 RTP SCS, if implemented, would meet the region's per
8 capita greenhouse gas emissions reduction targets for 2020
9 and 2035.

10 This concludes staff's presentation. Now, I
11 would like to invite the Executive Director of the Kern
12 Council of Governments, Ahron Hakimi, to address the
13 Board.

14 CHAIR NICHOLS: Good morning.

15 MR. HAKIMI: Good morning. Thank you for the
16 opportunity to speak, Madam Chair.

17 My name is Ahron Hakimi, and I'm the Executive
18 Director of Kern Council of Governments based in
19 Bakersfield. I'd like to thank ARB staff for its very
20 thorough evaluation of our 2014 SCS methodology. I'd like
21 to specifically thank Amy Volz, Jonathan Taylor, Terry
22 Roberts, Nesamani Kalandiyur.

23 (Laughter.)

24 MR. HAKIMI: Jin Xu, Jennifer Gray, and, of
25 course, Lynn Terry.

1 The technical evaluation is nearly twice as many
2 pages as our SCS. It was extremely thorough.

3 (Laughter.)

4 MR. HAKIMI: It's no longer business as usual in
5 Kern. Our diverse stakeholders provided significant input
6 resulting in a challenging and very ambitious SCS. We
7 believe our open public process garnered the broadest
8 participation possible, making for a successful grassroots
9 document that is changing the course of our region.

10 We were driven by local health-based criteria
11 pollutant concerns. Kern COG is working hard to realize
12 the SCS benefits on an accelerated time frame. Here are
13 some of the -- here is some of the progress we're already
14 making towards our goals.

15 More than 50 percent of the vehicles on Kern
16 roads already have two or more passengers. And this is
17 anticipated to grow alongside new car sharing markets. To
18 build on this success, Kern COG has shifted staff to
19 assist our member agencies to develop workplace vehicle
20 charging.

21 Kern County provides two and a half times as much
22 alternative energy as the next largest county in
23 California. We are on track in Kern County to permit
24 enough alternative energy generation capacity to meet the
25 majority of the State goals.

1 The private sector is already working to
2 implement our SCS strategies. The Wonderful Company, a
3 major grower in the State, contributed \$15 million in the
4 disadvantaged community of Lost Hills, which is about 45
5 miles northwest of Bakersfield, providing more than 700
6 trees, seven miles of sidewalks, bike trails, and a
7 community center, and a new artificial turf soccer field.

8 This investment represents five times the funding
9 received by Kern from cap-and-trade funds to date, and is
10 a good example of how private sector can help achieve the
11 SCS goals early.

12 Of all the challenges we face moving forward,
13 none is more daunting than funding. For our SCS to truly
14 be transformational, we must be able to help finance these
15 projects that best illustrate our environmental and health
16 related priorities. We look forward to working closely
17 with ARB to achieve these economic and environmental
18 benefits as soon as possible. Thank you for your Board's
19 leadership and understanding that one size does not fit
20 all when it comes to meeting our greenhouse gas goals.

21 CHAIR NICHOLS: Thank you. Congratulations on a
22 project that has now garnered quite a lot of support, I
23 see, from the people who've signed up to speak this
24 morning.

25 I will turn to the witness list then, beginning

1 with Andrew Chesley from the San Joaquin COG.

2 We don't have these up on the wall today, I
3 guess. I'll just -- oh, they're behind us. There they
4 are. Okay. Great. Thanks.

5 MR. CHESLEY: Thank you very much Chair Nichols,
6 Vice Chair Berg and members of the Board. I'm
7 representing the San Joaquin Valley Regional Executive
8 Directors. I'm the Chair this year.

9 We're winding down on the first round of SCS
10 development, but I think we found that it's been kind of
11 enlightening. It's been a rewarding experience as well as
12 a challenging one.

13 Great partnerships have been strengthened during
14 this process between valley MPOs, the valley MPOs and ARB
15 staff, and between the valley MPOs and non-governmental
16 organizations that are involved in community development,
17 health, and the environment. That has been maybe the
18 landmark from all this effort. I'm here to support your
19 staff's recommendation.

20 Kern COG has produced an SCS that not only meets
21 the targets that you've set, but it's changed the nature
22 of the discussion in regional transportation plan
23 development in their county. They have done excellent
24 outreach in an area that is exceptionally diverse as
25 counties go. They have taken new steps to title land use

1 and transportation together, which I think was the
2 objective really when it came to SB 375.

3 The next round of SCS development and the
4 implementation of the existing SCS are now our priority
5 for all of us. Valley MPOs, and I know Kern COG as well
6 in this, are committed to continue with the partnerships
7 we have developed and in strengthening the SCS process
8 that we have done through this first round.

9 I support your staff's recommendation. Thank you
10 very much.

11 CHAIR NICHOLS: Thank you.

12 Ms. Wise.

13 MS. WISE: Good morning, Chair, members of the
14 Board and staff. My name is Ella Wise from the Natural
15 Resources Defense Council.

16 And I wanted to congratulate and show our
17 appreciation to Kern COG for their effort to be
18 transparent. And although it led to a lot more work for a
19 lot of you, we so appreciate that effort.

20 Also, we want to thank the ARB staff for looking
21 closely at this issue of the role of active land use and
22 transportation strategies versus the role of independent
23 assumptions and achieving the targets. Thank you for your
24 work. It seems like a great example of the State and
25 regions working together to achieve climate goals.

1 And with that, we look forward to supporting
2 implementation, helping fund -- helping to find funding
3 for implementation, and revisiting Kern COG and the
4 valley's regional targets in the next round.

5 Thanks very much.

6 CHAIR NICHOLS: Thank you.

7 Mr. Barrett.

8 MR. BARRETT: Good morning. I'm Will Barrett
9 with the American Lung Association of California.

10 I want to first thank ARB staff and the Kern COG
11 staff for the thorough review and the work to get this
12 analysis completed. I think that's wonderful work. Our
13 staff and I also worked closely with the COG as they
14 developed the SCS development, and really just wanted to
15 take a moment to just praise their efforts to include
16 health quantification in the process.

17 You know, a lot of places -- you know, COGs would
18 like to try and do this, but they took a real shot at it.
19 So I really wanted to flag that for you all.

20 The first round of the process certainly raised a
21 lot of issues that have been addressed through the review
22 process, the economic assumptions, the modeling
23 improvements. And understanding these issues for Kern
24 really feel like we're going to benefit the SB 375 program
25 broadly.

1 The main comment that I'd like to make, and it's
2 one we've made in the past, throughout the whole process
3 is the overachievement of the targets in the Valley in the
4 first round really indicates that the targets are more
5 achievable than initially thought.

6 We're very happy too see Kern and others coming
7 in with exceeding the targets. But now that these
8 processes are moving forward, and we're understanding
9 better the modeling and other assumptions, we think that
10 they should be reevaluated, because there are so many
11 important processes coming out for the State.

12 We have the Governor's 50 percent petroleum
13 reduction goal, the 2030 carbon targets, the upcoming
14 ozone standards. SB 375 is going to be critical to all of
15 these processes, and we think that, you know, we really
16 need to reevaluate where the targets were set in light of
17 the successes that the COGs are making.

18 So as the scoping plan comes forward this year,
19 the three-year investment plan comes forward, I would just
20 urge you on the Board to really recognize that these plans
21 are going further than expected, they need more support
22 than they're getting to be fully implemented, and want to
23 work with the Board and the COGs to continue the success
24 as we go forward.

25 And finally, for Kern, and I see Andy here from

1 San Joaquin, we're very happy to continue offering Lung
2 Association resources at the local level to help identify
3 and support, write grant letters, that kind of thing to
4 get good projects in the valley that are going to clean up
5 the air. So thank you very much.

6 CHAIR NICHOLS: Thank you.

7 MS. KNECHT: Good morning. My name is Carey
8 Knecht with Climate Plan. We've been following SB 375
9 implementation around the State. And I wanted to start by
10 thanking the Board for again your continued attention to
11 SB 375.

12 This presentation today I think provides just a
13 hint of the many, many benefits that attention to
14 integrating land use and transportation can have, not just
15 on greenhouse gases but also on health, on equity for
16 rural and urban disadvantaged residents, and for all of
17 the goals that we're working together across the State to
18 achieve.

19 I also would like to thank ARB staff for this
20 very thorough review. I always learn a great deal from
21 these technical analyses of the SCSs, and appreciate the
22 time that goes into them, and also want to congratulate
23 and thank Kern for this finding that they have -- that
24 there's an SCS that has achieved these targets through
25 integrated land use and transportation strategies. So I

1 just wanted to start by congratulating and thanking so
2 many people involved in this.

3 Most of my comments relate to what we can learn
4 from this as we move forward into the target-setting
5 process. I particularly was interested and looked at this
6 for what it said about auto operating costs. I think we
7 all were alarmed when we saw the table initially that said
8 that a great portion of the targets would have been met by
9 auto operating costs. Although, I do really want to
10 highlight that as a best practice, that every MPO could
11 provide an analysis of how those targets are being met,
12 and that that is a great approach.

13 If they were to be meeting it largely through
14 auto operating costs, I think that has a significant --
15 raises significant concerns, both for whether we would
16 actually achieve those reductions and also for the impact
17 on low income households.

18 So I was very happy to learn that it was not a
19 significant, that only about three percent out of the 10
20 percent target was met through auto operating costs. But
21 I think as we move forward into target setting it's really
22 important to remember that it is still a very significant
23 component, about 30 percent of the target. And so we
24 should be very careful as we set those target-setting
25 processes to think about how we will set a baseline or

1 otherwise keep that from being a very big variable that
2 moves the dial and set that up front.

3 Also, as we move forward, I'll just note that
4 this is -- you know, Kern was yet another of the valley
5 COGs, joined several others for whom business as usual, or
6 in the case the old plan, would have met the targets. It
7 would have achieved 14 percent reduction. And so despite
8 what I think we all thought at the time, I think what
9 we've found is that the targets were not necessarily that
10 ambitious, if your old plan meets it or actually
11 overshoots it by almost 50 percent.

12 And so I look forward to a conversation about how
13 we can make the targets for the Valley and the whole State
14 as ambitious as possible.

15 Thank you.

16 CHAIR NICHOLS: Thank you, Ms. Knecht.

17 That concludes the list of witnesses that I have,
18 so I will close the record at this point and turn to Board
19 members for any questions or comments that they may have.

20 Dr. Sperling.

21 BOARD MEMBER SPERLING: First of all, I want to
22 note that our audience are very last learners on titles.

23 (Laughter.)

24 BOARD MEMBER SPERLING: I'm very, very impressed
25 by that.

1 I -- so I have -- I'd like to comment on this
2 more broadly, because we've heard a lot of SCSs, and I
3 think we've -- so I want to comment more broadly on the
4 whole SCS and 375 process.

5 I would say that, you know, in this particular
6 case, I think -- I did actually read the whole report, and
7 I was very impressed. Staff did a very good job. And I
8 was also impressed that the local governments have done a
9 good job really, and I think they've really responded to
10 this whole 375 process in a way that is positive, it is
11 good, because they were these comments about grassroots,
12 and changing the nature of the discussion.

13 And I think that's what this is -- you know,
14 number one, that's what this is all about, number two are
15 the outcomes, and I'll get to that in a moment.

16 So I'd like to suggest that it's time to rethink
17 how we handle these SCSs at ARB. So I have three major
18 thoughts. So I did share these with the staff, so they're
19 not going to be too shocked by this, and I think they
20 largely agree, but we'll see.

21 (Laughter.)

22 BOARD MEMBER SPERLING: Number one is we should
23 be standardizing many of these assumptions and parameters
24 that are used. It doesn't make sense for every MPO, every
25 COG to be doing its own forecast of gasoline prices of

1 vehicle efficiency of price elasticities. These are
2 numbers that are not specific to local area, and more than
3 that, no one knows what they should be anyway.

4 So let's standardize those. And it's going to
5 save a lot of time for the MPOs, and it's going to save a
6 lot of time for the staff. Staff spent a huge amount of
7 time trying to dig into the model and understand what
8 the result -- why they came out the way they did. You
9 know, this idea about the operating costs, which is really
10 gasoline prices, which incidentally I think is done wrong
11 anyway, because those forecasts are based upon increasing
12 costs. And I suspect what's going to happen is that costs
13 are going to diminish because gasoline prices are unlikely
14 to be going up a lot in the future.

15 I mean, that's my own little aside. But given
16 that, there's a lot of uncertainty, so let's just
17 standardize and make it easy for everyone, save everyone a
18 lot of money and grief.

19 And so the first suggestion on that is let's have
20 ARB staff issue some kind of directive to the MPOs. That
21 will give them direction on these parameters and
22 assumptions that are State specific or highly uncertain,
23 and not locally specific. Okay. That's number one.

24 Number two is that as -- there was -- okay, so
25 there was comment here that the staff report was twice as

1 long as the -- you know, the SCS. There's something wrong
2 there. That's not the way it should be, so -- and I
3 understand how we ended up either way we did, but I think
4 now is a good time to reassess the whole process.

5 Let's shrink these evaluations. Let's reduce
6 them, and let's have them look more like memorandums that
7 are focused on key issues, instead of trying to focus on
8 doing a full blown evaluation of the model, of the whole
9 description of the whole region.

10 Okay. And number three, last, is I think it's
11 time to shift the evaluations away from being just on the
12 models and the targets and shift them towards actions and
13 outcomes. I mean, that's really the point here. The
14 point isn't to create bureaucratic requirements and, you
15 know, spend all time and money on models. I love models.
16 You know, I'm a professional modeler, I guess, of sorts,
17 but that's not the point here.

18 You know what we want to see is change. And so
19 I'm really heartened by the discussion about, you know,
20 there's changes at the grassroots level. There's changing
21 the discussion. And that's really important. That's what
22 we want. So I would suggest that what we want these
23 reports to do is be more of an evaluation or an assessment
24 of what actions have actually been taken, and what impact
25 they've really had.

1 And one of the research projects we just approved
2 is going to help do that. It will be a couple years, but
3 that's the direction we should be moving in, I think. And
4 so -- and this is the goal of 375 is change and actions
5 and outcomes.

6 And I would note that I think the process -- the
7 375 SCS process has been very effective -- well, I
8 wouldn't say very effective -- has been effective across
9 the State in many of the -- in most of the MPOs and local
10 governments already, because it has changed the
11 discussion. You know, I know with SCAG was probably the
12 big victory.

13 You know, when they started out, you know, they
14 thought this whole process was a bunch of phooey, that
15 they knew how to do transportation, and who -- you know,
16 who are these bureau -- who are these regulators in
17 Sacramento telling them what to do.

18 And they really came around, because they
19 realized that everything we're talking about with the SCSs
20 is really the strategies to achieve these greenhouse gas
21 reductions are the same strategies that will be -- that
22 they want to do anyway for a whole number of other
23 reasons, to reduce infrastructure expenditures, to
24 increase livability, health -- public health.

25 And so everything -- things are aligned. And I

1 know the big issue is money. And I know lots of us are
2 committed to trying to figure out how to get more money to
3 the MPOs and the local governments that really are
4 doing -- are taking actions.

5 But even short of that, what we've learned with
6 some of these SCSs in these reviews is that by focusing on
7 these strategies to reduce greenhouse gases to create more
8 livable communities, to reduce VMT, they're actually
9 reducing costs. They're reducing investments that are
10 needed in roads, because shifting it to other ways of
11 improving accessibility and mobility.

12 And what we've learned, especially with the COGs
13 and MPOs in the San Joaquin Valley is that they've been
14 spending a huge amount of money on conventional transit.
15 And so the study that was referred to is looking
16 specifically on how to provide better accessibility at
17 less cost. And there's a lot of ways of doing it, and so
18 there's a real commitment there, I know, to looking at it.
19 And that's going to save money and provide better
20 transportation.

21 So, you know, I do say that the SCS process has
22 been positive. It can -- of course, there's a lot more
23 that can and should be done. But I think this is a good
24 time for us to start rethinking how -- how we manage our
25 oversight of this process. And this kind of provided a

1 good illustration of what we can do or should do. So
2 sorry for the long --

3 CHAIR NICHOLS: I'm going to ask the staff to
4 respond after the other Board members weigh in with
5 whatever comments they might have.

6 Dr. Balmes.

7 BOARD MEMBER SPERLING: Thank you, Chair.

8 BOARD MEMBER BALMES: Well, first off, I would
9 echo my thanks for good efforts on the part of Kern COG,
10 and -- actually and the non-governmental organization
11 stakeholders that we've heard from, as well as CARB staff.
12 But I wanted to also echo what Professor Sperling said
13 about trying to come up with standardized metrics for
14 evaluation of SCSs. I totally and completely agree with
15 him.

16 I do a little modeling too, but I wouldn't call
17 myself a professional modeler.

18 (Laughter.)

19 BOARD MEMBER BALMES: But I have one little --

20 CHAIR NICHOLS: I do too. When you say modeling,
21 I do tend to think of something a little different. We
22 were laughing up here.

23 (Laughter.)

24 BOARD MEMBER BALMES: You know, I have tried --

25 CHAIR NICHOLS: It is a nice time, mind you.

1 BOARD MEMBER BALMES: I have tried to improve
2 my --

3 (Laughter.)

4 BOARD MEMBER BALMES: -- you know, my wardrobe
5 since I've been on the Board.

6 (Laughter.)

7 BOARD MEMBER BALMES: Okay. So seriously, I have
8 one concern on -- you know, it's about slide 15, where,
9 you know, we have this impressive drop in per capita VMT
10 and CO₂ emitted between 2005 and 2020. But then there's
11 this leveling off between 2020 and 2035. I realize that's
12 a few years off, but if we want to meet the ambitious
13 goals that our Governor has set forth with regard to
14 trying to mitigate climate change through reduction of CO₂
15 emissions, then we have to do better in that 2020 to 2035
16 period and I -- so I just wanted to make that point that
17 while I'm congratulating our short-term efforts here, in
18 the longer term we really have to do better, Madam Chair.

19 CHAIR NICHOLS: Okay.

20 Ms. Mitchell.

21 BOARD MEMBER MITCHELL: Thank you. And a big
22 thank you to staff. I know they worked really hard on
23 this SCS, and you've accomplished a lot. So thank you to
24 our staff.

25 I want to also express appreciation for Professor

1 Sperling's comments, because I think they're particularly
2 apropos at this time in our development. What we're
3 seeing now is SB 375 is growing up, and we've had, in some
4 jurisdictions, a couple of rounds. And I think Dan is
5 absolutely right -- Professor Sperling is absolutely
6 right, that SB 375 was a planning tooling. And now, let's
7 look at what the results are of that planning. So I think
8 in the future, we need to look at what are the results,
9 what is the outcome, have we accomplished what we intended
10 to accomplish with reductions of VMT, reductions of
11 greenhouse gases?

12 So I look forward to that. And we know that the
13 Kern COG will be back in 2017, and we will be reevaluating
14 again what they've accomplished. But the point that Dr.
15 Balmes raised about what are you going to do between 2020
16 and 2035, can't we reduce that a little bit more, and also
17 in light of the Governor's recent executive order in SB
18 350 that is now making it's way through the legislature on
19 these other reductions, we'll be interested in seeing what
20 is proposed in the future with our Sustainable Communities
21 Strategy. So these are very good comments from you,
22 Professor Sperling. Thank you for your overview and your
23 oversight, which is broad and useful to all of us.

24 Thank you staff.

25 CHAIR NICHOLS: If this were the Senate, you

1 would say you associated yourself with his remarks.

2 Supervisor Roberts.

3 BOARD MEMBER ROBERTS: Yeah, I just want to weigh
4 in on part of this that concerns me, and just reflecting
5 back on some history. I can remember the early nineties
6 there was a lot of projections that were done on air
7 quality issues based on VMT. None of them proved to be
8 right. It proved to be a very bad indicator. It wasn't a
9 good metric to use.

10 We continue to use it like it's some infallible
11 connection. And I think the strengthen in this program is
12 probably that it's going to be adjusted every few years,
13 and a fresh look is going to be take, which allows us to
14 then incorporate the changes, both technological and
15 regulatory that are occurring that are changing the
16 playing field.

17 But we look out and we look at the year 2035, and
18 I will tell you that's so far beyond our crystal ball as
19 to be, in my mind, almost ludicrous to be criticizing or
20 thinking that this is a good model. And it's not about
21 your wardrobe.

22 (Laughter.)

23 BOARD MEMBER ROBERTS: We done have the
24 techniques that give us a very accurate picture that far
25 out. And it's all you've got to do is look back over the

1 last 20 years and make comparisons.

2 I know in our case in San Diego, and I remember
3 it was a huge issue for me 20 years ago, we had a
4 professor from UC who was running around telling us that
5 we couldn't do anything unless we reduced VMTs, the air
6 pollution was going to continue to climb. And, in fact,
7 our VMTs have gone up significantly. The population has
8 gone up. His response was we had to reduce the number of
9 jobs, and that way people wouldn't want to live in San
10 Diego and that was a great solution.

11 (Laughter.)

12 BOARD MEMBER ROBERTS: But at the same time, all
13 of these things have happened, dramatic reductions in air
14 pollution for a whole lot of reasons that 20 years ago
15 were probably hard to see. So I just -- I want to caution
16 us. Once -- you can look at that first bar, but when you
17 start to look at that second bar, you need to put a lot of
18 skepticism in that.

19 And we -- I would just caution. There are
20 probably reasonable programs to start now, but I wouldn't
21 put a heavy burden on local communities to try to now
22 affect that, but I think we look at it, just as we've done
23 on this Board, where we had sort of the black box, if you
24 would, and we knew that we had to bring more regulatory
25 effort and more solutions as we went on and things

1 developed and technologies developed. And sometimes you
2 took a step back when you had to pull back on the electric
3 car mandate, because we found that electric cars that
4 first came out were really pretty lousy, and the market
5 wasn't going to accept those, no matter what our edicts
6 were from here.

7 So I just -- I want to caution whenever I see
8 VMTs that I suspect that the playing field is going to
9 change dramatically by 2035, and I would be cautious of
10 being too critical. The fact that they're making
11 progress, and I think they'll continue to make progress,
12 and I think things that are not programmed in and things
13 that we can't even begin to model right now are going to
14 have a dramatic effect, if we keep the goals in mind. In
15 each renewal of the plan we keep the goals in mind and
16 continue to work to reduce these things, it's going to
17 happen.

18 But I would just be very, very suspect. And I
19 know we have some at the State level who like to punish
20 local communities on the basis of these long range
21 projections that I think are dubious at best

22 CHAIR NICHOLS: Supervisor Serna.

23 BOARD MEMBER SERNA: Thank you, Chair. So I --
24 this is a conversation that I'm glad we're having this
25 morning in the context of the most recent SCS to come

1 before us. I've had a chance, like others on this Board,
2 to discuss this with staff -- our staff, as well as even
3 our local staff at SACOG, the MPO for the area that I
4 represent.

5 And on the subject of standardization, I'm really
6 curious to know from staff whether or not there's -- we're
7 still in a kind of a State of apples to oranges, in some
8 cases, relative to the scaling of an availability of
9 modeling between single county MPOs, for instance, versus
10 multi-county MPOs. My understanding is that the history
11 of this, the first round of SCSs, there was some setting
12 of expectations that perhaps there would be a universal
13 modeling platform that could be used for either.

14 So while I appreciate Professor Sperling's
15 overall comments and certainly the concept of
16 standardization of assessment and modeling, I'd kind of
17 like to hear some comments from the staff about that
18 particular part of it.

19 With regard to my colleague, Supervisor Roberts,
20 I think, you know, I completely appreciation -- we're both
21 public servants in local government, so I can completely
22 appreciate having to sometimes work within the rigid
23 guidelines set in State statute. And in this case, even
24 though VMT may not be the most appropriate or accurate
25 surrogate for greenhouse gas reduction CO₂ in particular,

1 it is the law.

2 So we are -- my understanding is we're trying to
3 do what we can within the parameters of the law, and
4 it's -- you know, it's not perfect. I would challenge
5 anyone to show me any law, certainly relative to land-use
6 planning, that is perfect.

7 So, you know, we work in an area that's, you
8 know, different measures of gray, never black and white.
9 And so I appreciate that as well, but I would like to have
10 a response from staff on the scalability and kind of the
11 universal nature of modeling or not.

12 CHAIR NICHOLS: Well, why don't we just take that
13 issue right now then, since it's been brought up several
14 times.

15 DEPUTY EXECUTIVE OFFICER KARPEROS: One of the --
16 one of the benefits that's come out of the implementation
17 of SB 375 over the last four years has been the increase
18 in standardization among assumptions -- of the
19 assumptions -- input assumptions by the MPOs, mostly,
20 quite frankly, driven by the MPOs and their realization
21 that by reaching out to their peers, they could actually
22 leverage the capacity across the State, as well as
23 reflecting the discussions that took place during the RTAC
24 in the initial implementation of SB 375, that an increase
25 in transparency of the modeling systems, as well as

1 increased uniformity would be of benefit.

2 You're absolutely right, supervisor Serna all --
3 the MPOs all use -- or I shouldn't say all, but many of
4 the MPOs use different modeling platforms. They consume
5 different inputs relative to auto operating costs for
6 example. The -- but it is possible to essentially grow
7 those inputs and assumptions from a common basis. And
8 that's what the MPOs in our discussions with the MPOs have
9 tried to do. So depending on the modeling platform you
10 have, depending on regional differences, say in fuel
11 prices, what could be or what is the appropriate
12 assumptions for your region.

13 It is possible we think to further standardize.
14 And we would look for that to be a collaborative process
15 between ourselves and the MPOs. We can bring perspectives
16 from ourselves, as well as the other State agencies
17 relative to some of the cost of fuel for example to those
18 discussions. They can bring to those discussions their
19 knowledge, their deep knowledge of how their models work
20 and the data that is available for them.

21 So it might not be a directive from the Air
22 Resources Board. They tend to not like those, but I think
23 we can push the level of standardization further. And
24 then building what Professor Sperling was saying, if we're
25 spending less time actually having to run the models in

1 terms of that review, then we can focus on these other
2 types of issues.

3 CHAIR NICHOLS: Which would be good, clearly. So
4 I'm going to call on the folks on this slide now, starting
5 with Supervisor Gioia.

6 BOARD MEMBER GIOIA: Thanks. I think for those
7 of us who've been involved developing SCS, there's been
8 challenges in how we continue to move behaviors. Let me
9 speak from that standpoint, because sitting here I see
10 there's an importance in how we can standardize, to the
11 extent we can, understanding that there's regional
12 difference. And those of us on the front lines of
13 developing these are facing tremendous challenges about
14 how we allocate resources, how we're changing behavior
15 changing land-use planning. So I would hope that as we
16 think about this, we understand the challenges that local
17 city council members and county supervisors are facing in
18 advancing this very good policy.

19 And I think standardizing metrics to the extent
20 that they can be, and I think the term you used is sort of
21 to push a level of standardization further, is the right
22 way to do it. There are going to be regional differences,
23 and clearly making sure that the assumptions that each
24 region is following are truly correct, because what we
25 don't want is a region sort of getting off easy because

1 they haven't really used the right assumptions.

2 So I think we can play a role there to make sure
3 that there is integrity and discipline and all the
4 assumptions and metrics. I do think we can have a role in
5 collecting, I don't want call them, best practices, but
6 the approaches that are occurring around the State. You
7 know, different regions are -- you know, are pushing
8 things at different levels, based upon the tolerance for
9 pushing in that region, right?

10 And there's been a lawsuit -- I mean, our own
11 region. When we adopted -- in the San Francisco Bay Area,
12 when we adopted our SCS, there were lawsuits. We had to
13 settle those lawsuits. So it's harder to sort of just say
14 everything needs to be same, but I think we need to assume
15 that again or just -- or ensure, maybe that's the better
16 word, that the practices have integrity, and that they're
17 all correct or the assumptions for them.

18 But I think the added role of maybe again
19 providing -- collecting the different types of strategies
20 and practices that are occurring in different regions, and
21 having those available so that folks can take a look at
22 them. I think what's often helpful to us at the local
23 level is looking at the approaches that other people are
24 taking in other parts of the State.

25 There's nothing more valuable than seeing

1 something else beginning to work somewhere else. So
2 that's also why collecting information about what's
3 working and what's making a difference on the metrics is
4 helpful, right, because a lot of this is new stuff. We're
5 trying to figure it out as we go.

6 So if in South Coast, you're taking an approach,
7 and this is truly making a difference on VMTs, you know,
8 and we have some information that measures that, that's
9 helpful to another part of the State as they're looking at
10 that in their next update to the SCS. So I'd like to sort
11 of ask maybe staff how we can sort of collect that in some
12 central location that makes it available for those who
13 want to take a look at the results of the efforts of
14 others

15 CHAIR NICHOLS: Do you want to respond to that?
16 Are you prepared to do that at this point, or just take it
17 as a suggestion and say you'll work on it and get back to
18 us?

19 DEPUTY EXECUTIVE OFFICER KARPEROS: There have
20 been calls for collection of best practices. I think ARB
21 staff's capacity, and if we were able to move away from
22 the sort of input-by-input, model-by-model evaluation that
23 we've done to date -- and we do agree that it's time to
24 shift our focus away from that, that we can apply the
25 analytical capacity that we have and that we've developed

1 over the last four years for staff, to understand and be
2 able to communicate to the MPOs, the benefits of the
3 various actions across the regions, so that when they're
4 looking to develop the SCS, they have not just a regional
5 modeled estimate of the potential impacts of their SCS.
6 They can look at it at sort of a -- I don't want to call
7 it a project, but a strategy by strategy level to
8 understand will something like that translate to my
9 region?

10 The MPOs themselves have collected and do share
11 across -- with themselves the strategies that they've been
12 using in their SCSs. They talk regularly. What we can
13 bring to that is an analytical capacity, and focus on
14 that --

15 BOARD MEMBER GIOIA: I think that's important.

16 DEPUTY EXECUTIVE OFFICER KARPEROS: -- and help
17 move them -- move the ball forward that way.

18 CHAIR NICHOLS: Okay. Any other comments or
19 questions on this side?

20 Dr. Sherriffs.

21 BOARD MEMBER SHERRIFFS: I appreciate very much
22 these important overview comments in thinking about where
23 we are in this process and how indeed the process is
24 maturing and how important it is that we keep coming back
25 and examining it. Just a couple of really details in

1 terms of thinking about the Central Valley.

2 You know, one is the assumption about auto costs
3 as part of the model. And as was mentioned, on the face
4 of it, this puts a disproportionate burden on the
5 economically disadvantaged. And that really doesn't sound
6 like a strategy. I'm also wondering if that modeling
7 takes into account variations in income poverty levels for
8 an area, or whether it's more broadly applied?

9 And the other comment, just again in terms of the
10 valley, and although the urban areas are so important in
11 terms of concentrating population and the things that can
12 be achieved with transit and active transit in those
13 areas, while the rural populations are very, very
14 important still in the valley, and so just highlighting
15 how important it is the funding for research, looking at
16 that, and for thinking more creatively about how we
17 involve the rural areas in the transportation issues that
18 we're talking about.

19 Thank you.

20 DEPUTY EXECUTIVE OFFICER KARPEROS: I can ask
21 staff to respond to your question about the modeling, but
22 you may not love modeling, so we can be -- we'll do high
23 level review.

24 BOARD MEMBER SHERRIFFS: I think Dr. Balmes is a
25 wonderful modeler.

1 (Laughter.)

2 DEPUTY EXECUTIVE OFFICER KAPEROS: Staff, if you
3 could.

4 AQPS ASSISTANT DIVISION CHIEF TAYLOR: Good
5 morning, Board members. Jon Taylor here.

6 Yes, the MPOs in their modeling, they use
7 socioeconomic data that goes into their models. So
8 they're looking at data by household. They're looking at
9 like how many vehicles per household. Importantly, to get
10 to your question, Dr. Sherriffs, they're looking at the
11 income level by household. So they have all the data, you
12 know, that stratifies households by income. And that gets
13 folded into their travel models. And, of course, there
14 are the costs of travel also. So you have auto operating
15 costs. You have the costs of transit all of those things.

16 So that all plays into what people's decisions
17 are on how they travel. So will they travel by their own
18 car? Will they take a vanpool? Will they take transit?
19 That all gets factored into when they do their modeling,
20 and then when they get their output, about how much VMT is
21 generated versus how many people travel by transit in
22 other modes, and how many people even choose to walk or to
23 bike.

24 BOARD MEMBER SHERRIFFS: Thank you. And it's
25 important in terms of so many things, because it's

1 important in terms of how people shop. It's important
2 that people -- how they access cultural activities. I see
3 every day in my practice, people who are paying much more
4 for the transportation to come to the office than they're
5 paying for actually the health care that's getting
6 delivered, because of -- because of issues of access to
7 transportation.

8 CHAIR NICHOLS: Thank you for that reminder, Dr.
9 Sherriffs. I think we're probably finished with the
10 general questions and comments and ready to move on the
11 resolution.

12 I just want to add a couple of different thoughts
13 here. First of all, I think the -- this discussion has
14 been very interesting in reflecting once again how big and
15 diverse this State is, and how difficult, but important it
16 is, that we try to find things at the State level that we
17 do that assist in at least raising the floor of the
18 planning and environmental assessments that are being
19 done, while at the same time not trying to insist on
20 uniformity across the State, because there are differences
21 clearly among the regions.

22 One of the biggest differences in our State, of
23 course, is between those areas that are primarily urban
24 and those that are quite rural. And I couldn't help
25 thinking, as I noticed the shifts in funding that were

1 being cited, as evidence that there's been a shift in the
2 way that the plan works that the reduction in funding
3 going to maintenance of existing roads is not necessarily
4 something we should all feel happy about.

5 We have a special session of the legislature
6 going on right now to deal with the fact that there's a
7 enormous shortfall in funding, not primarily, I'm happy to
8 say, due to SB 375. And clearly, the additional resources
9 were needed for transit and for other forms of non-motor
10 transportation.

11 But having said that, we have a large extensive
12 and important network of roadways in this state that also
13 need to be kept in decent shape for economic, if not
14 other, reasons.

15 BOARD MEMBER SPERLING: But Chair Nichols, we are
16 responsible for a lot of that problem through the fuel
17 efficiency standards that we've adopted.

18 (Laughter.)

19 CHAIR NICHOLS: Yes. Thank you, and I --

20 (Laughter.)

21 CHAIR NICHOLS: I'll accept the blame on that
22 one.

23 (Laughter.)

24 CHAIR NICHOLS: I freely admit it. We did it.
25 We reduced the amount of gasoline that was being consumed.

1 But the point is that there's a bigger issue out there in
2 terms of how we pay for transportation in the State beyond
3 anything that SB 375 or our greenhouse gas emission
4 standards can do, just an observation.

5 The other thing though is that also in the news
6 this week has been the conference going on for cities and
7 mayors around the world who are in Rome at the invitation
8 of the Pope to talk about their role in dealing with
9 issues of global climate change and equity.

10 And one of the things that is apparent here is
11 that the role that SB 375 is playing is an important one,
12 not one that people have really paid a whole lot of
13 attention to, how much is being done by local land use and
14 transportation agencies that actually is contributing to
15 achieving the reductions in emissions that are being
16 called for.

17 And when we travel, I know when the Governor
18 travels, and certainly when I am talking to other groups,
19 we highlight that as one of our key strategies of
20 California's climate program. I'm mentioning it because
21 as we look at the next round of targets and planning, I
22 think it's worth, not just thinking about ratcheting up
23 the ambition level, but perhaps going back and revisiting
24 some of the things that were decided at the time of the
25 original RTAC about how these plans could be done, and how

1 we could measure the results of what is happening at the
2 local level, because if, in fact, areas like Kern are
3 achieving more than they originally thought they could,
4 that could be seen as a reason to tell them they need to
5 be more ambitious.

6 And I'm not opposed to that, but I'm also at the
7 same time wanting to give them credit for what they have
8 been doing. And one way of doing that could be if we
9 change the metric in some way, so it wasn't per capita,
10 but measured the same way we do every other measure that
11 we have as part of our scoping plan, which is in terms of
12 mass emissions, and give credit for those who deserve the
13 credit for the benefits that we're now seeing as a result
14 of changes in the economy, changes in consumer preference,
15 but that's reflected in what the local government
16 officials are actually doing with their plans and with
17 their investments.

18 So I'm just suggesting that it's worth -- if
19 we're talking about, you know, convening and assessing and
20 thinking about where we're going with this plan, then I
21 would like to add an additional -- and additional factor
22 into it. Okay.

23 BOARD MEMBER SPERLING: Could I comment on that?

24 (Laughter.)

25 CHAIR NICHOLS: Yes, you could.

1 BOARD MEMBER SPERLING: Please?

2 (Laughter.)

3 CHAIR NICHOLS: Absolutely.

4 (Laughter.)

5 BOARD MEMBER SPERLING: I mean, in terms of the
6 specific point, you know, we did, at that time, spend a
7 lot of time trying to figure out the right metric. I
8 think though another way of looking at that would be even
9 more useful and robust would be to think about how to
10 reward the MPOs and the local governments that do reduce
11 their emissions at a more rapid rate, that do take the
12 action.

13 So, you know, focusing on that idea, I think, is
14 probably a -- and that can translate into the cap and
15 trade revenue. It can translate into the highway -- the
16 united transportation funding, and that should be the
17 focus, I think, as we go forward. You know, really it's
18 rewards with money. I think out there they would agree
19 with that.

20 BOARD MEMBER GIOIA: Can I make an addition to
21 that comment, Chair?

22 CHAIR NICHOLS: Please.

23 BOARD MEMBER GIOIA: I do think that's a really
24 important comment, because there's nothing that gets local
25 elected officials more interested in trying to --

1 (Laughter.)

2 BOARD MEMBER GIOIA: And say this being one,
3 right?

4 (Laughter.)

5 BOARD MEMBER GIOIA: -- to move --

6 BOARD MEMBER SPERLING: Even a professor can
7 figure that one out.

8 (Laughter.)

9 BOARD MEMBER GIOIA: Right. Right. To move
10 policy is to have a rewards system and incentivizing
11 through additional resources, because remember a lot of
12 these strategies will take money To implement.

13 In fact, let me just say, we're -- in Contra
14 Costa County, we're in the middle of devising an
15 extension, and a new sales -- a new transportation sales
16 tax, which we already have, about extending and doubling
17 it. And one of the big discussions is funding for
18 implementing Plan Bay Area our, local SCS.

19 And there's a big dispute among many of the city
20 councils. You know, how do they prioritize their road
21 investments. You know, the condition of the roads is
22 often poor, versus how do you, you know, get funding. So
23 there's even locally these battles for local dollars over
24 how do you implement the SCS, which we know is not
25 funding, and how do you fund streets and roads. So the

1 more resources on the table for local jurisdictions, the
2 more policy is going to move.

3 CHAIR NICHOLS: Well, clearly, this is a topic of
4 great interest, here and in other forums as well. I do
5 think it behooves us to be thinking about how we can be
6 more supportive of the places that are actually seizing
7 the initiative here, and maybe that's the best takeaway
8 message from this -- from this discussion. And appreciate
9 the fact that the staff is already embarking on their
10 efforts for the next round.

11 So I'm sure we'll have more opportunities to
12 engage as well. I think we probably now should actually
13 focus on Resolution 15-38, since the people from Kern
14 County are waiting to hear from us.

15 (Laughter.)

16 PANEL MEMBER SHERRIFFS: Move adoption.

17 CHAIR NICHOLS: That they actually will have
18 their approval.

19 So may I have a motion to approve?

20 BOARD MEMBER SHERRIFFS: Motion to approve.

21 CHAIR NICHOLS: And a second?

22 BOARD MEMBER MITCHELL: Second.

23 CHAIR NICHOLS: Second.

24 All in favor, please say aye?

25 (Unanimous aye vote.)

1 CHAIR NICHOLS: Opposed?

2 Any abstentions?

3 Very good. Thank you so much, and thanks for
4 giving us the opportunity to talk about this very
5 important issue.

6 CHAIR NICHOLS: All right. Our next item is also
7 a very interesting one that's been mentioned at other
8 times in the past, but comes before us in the form of a
9 proposed document that was jointly prepared by the Air
10 Resources Board staff and the California Air Pollution
11 Control Officers Association entitled Risk Management
12 Guidance for Stationary Sources of Air Toxics.

13 And while the staff are assembling for this item,
14 I'll just say a little bit by way of introduction. Over
15 the past several decades in California, we've seen
16 significant progress reducing public exposure to air
17 toxics, largely driven by industry investments,
18 environmental advocacy, and the implementation of diesel
19 regulations and Airborne Toxics Control Measures that the
20 Air Resources Board and local agencies have implemented.
21 This is a good news story, but it's not over. There's
22 still more work to be done. Diesel particulate matter
23 remains the primary driver for health risk from air toxics
24 in California with freight transport contributing
25 approximately half of these diesel particulate emissions.

1 This is one reason for our focus on zero and near
2 zero technologies as a critical components to the
3 sustainable freight strategy, State implementation plan,
4 and scoping plan implementation.

5 At the same time, advances in science are
6 improving our understanding of the potential health risks
7 of our current levels of exposures. And the document
8 before us today discusses how we as an agency intend to
9 address this new information coming to us from the health
10 community.

11 Clearly, it's important for public health that
12 our programs reflect this new science, which brings us to
13 our item today.

14 Mr. Corey, will you please introduce the item?

15 EXECUTIVE OFFICER COREY: Yes. Thank you, Chair.

16 The Air Toxics Program in California, which
17 includes both stationary and mobile sources is truly a
18 joint effort between ARB, the Office of Environmental
19 Health Hazard Assessment, or OEHHA, and the local air
20 districts represented by CAPCOA. And I personally want to
21 basically extend appreciation to the CAPCOA leadership and
22 staff that they've put considerable work into this as have
23 OEHHA.

24 And at this point, I'd like to take a moment to
25 introduce our colleagues that are sitting at the table

1 with staff. We have Dr. Melanie Marty who is representing
2 OEHHA. Dr. Marty's group worked on the OEHHA guidance
3 manual. Next is Joe Jill Whynot who is representing the
4 South Coast Air Quality Management District. Jill is the
5 district lead person on the ARB district risk management
6 team that developed the proposed risk management
7 guidelines for stationary sources of air toxics. And Alan
8 Abbs, who is the Executive Director of the California Air
9 Pollution Control Officers Association. Alan has also
10 participated -- or he participated on the risk management
11 team and he'll be providing some remarks at the end of the
12 ARB staff presentation.

13 So the staff presentation today will describe the
14 importance of the new science Chair Nichols referred to
15 and how the proposed document will help incorporate this
16 new science into California's Stationary Source Air Toxics
17 Program.

18 Looking ahead, ARB staff will be going through
19 our existing regulations to determine which regulations
20 may need to be modified to reflect the updated
21 information. And as we do this screening over the next
22 couple of years, we'll bring a report with our
23 recommendations back to the Board for your consideration.

24 I'll now ask Greg Harris of the transportation
25 and toxics division to begin the staff presentation.

1 Greg.

2 (Thereupon an overhead presentation was
3 presented as follows.)

4 AIR POLLUTION SPECIALIST HARRIS: Thank you, Mr.
5 Corey. Good Monring Chair Nichols, Vice Chair Berg and
6 members of the Board.

7 CHAIR NICHOLS: That's a first.

8 (Laughter.)

9 CHAIR NICHOLS: Congratulations.

10 AIR POLLUTION SPECIALIST HARRIS: This item is
11 related to the Board presentation last July when ARB,
12 districts, and the Office of Environmental Health Hazard
13 Assessment, OEHHA, provided an overview of the new science
14 in the OEHHA guidance manual.

15 Also, at that time, ARB and districts discussed
16 workplans to -- the plans to work together to develop new
17 guidance and tools and independently evaluate our
18 programs, policies, and procedures to implement the new
19 science. I'll begin with some brief background on air
20 toxics in California.

21 --o0o--

22 AIR POLLUTION SPECIALIST HARRIS: California's
23 Air Toxics Program has been very successful in reducing
24 the public's exposure to air toxics. This slide
25 illustrates some of the progress made. Since 1990, we've

1 changes. Facilities make these changes to meet their own
2 needs or in response to regulatory requirements.

3 California continues to invest hundreds of
4 millions of dollars per year in public incentives to
5 replace diesel equipment or introduce zero emission
6 technology. Risk assessment and risk management relate to
7 each other, because risk assessment provides the potential
8 health Impact information used in risk management
9 decisions.

10 --o0o--

11 AIR POLLUTION SPECIALIST HARRIS: As required by
12 State law, OEHHA is charged with the responsibility of
13 developing risk assessment guidance for use in assessing
14 risk from air toxics. The OEHHA guidelines have been
15 updated in a public- and peer-reviewed process. The last
16 document, the OEHHA guidance manual, was finalized March
17 6th of 2015. These guidelines reflect new studies on
18 childhood sensitivity to air toxics and new data on
19 exposure for people of all ages. The impacts of these new
20 guidelines mean that cancer risk estimates are likely to
21 increase for most sources when compared to risk
22 assessments using prior technology.

23 The changes may result in more facilities being
24 subject to public notification and emission reduction
25 requirements. The districts and ARB have been evaluating

1 the air toxics programs and policies to address these risk
2 methodology changes.

3 --o0o--

4 AIR POLLUTION SPECIALIST HARRIS: This slide
5 provides an overview of the key factors in the new OEHHA
6 guidance manual affecting inhalation cancer risk
7 estimates. The net effect of the changes is an increase
8 in the estimated inhalation cancer risk between 1.5 and 3
9 times, when compared to the previous risk estimates based
10 on the old methodology.

11 This is the case even though there are no changes
12 in emissions. As illustrated, some of the new changes
13 will increase risk estimates and some will decrease risk
14 estimates. Those factors that will increase risk
15 estimates are lifted -- are listed on the left, and those
16 refinements that may decrease risk estimates are listed on
17 the right side of the slide.

18 On the left, age sensitivity factors address the
19 increased sensitivity of children relative to adults.
20 Daily breathing rates are an example of the new exposure
21 information developed by OEHHA for people of all ages,
22 spanning from the last trimester of pregnancy through age
23 70.

24 The right side, list refinements, such as the
25 fraction of time at home and exposure duration that reduce

1 the amount of time a person is exposed, or spatial
2 averaging, which may reduce the quantity a person si
3 exposed to. The new methodology does not change cancer
4 potency factors.

5 --o0o--

6 AIR POLLUTION SPECIALIST HARRIS: The OEHHA
7 guidance manual affects the programs listed in the
8 graphic. The ARB and CAPCOA risk management guidance
9 provides specific recommendations for districts on
10 preventing stationary sources and for the Hot Spots
11 Program. The hot spots program, created by Assembly Bill
12 2588 in 1987 establishes a multi-step program to create a
13 toxics inventory, to identify higher risk facilities, to
14 notify the nearby community of facility-specific risk
15 results, and assess and implement actions to reduce risk
16 at the facility.

17 The ARB work plan within the risk management
18 guidance describes the way ARB will evaluate existing
19 statewide measures under the Toxic Air Contaminant
20 Identification and Control Program. In this program,
21 State law directs ARB to use best available control
22 technology in consideration of cost and potential health
23 risk.

24 The risk management guidance does not provide
25 specific recommendations for the CEQA process or

1 thresholds. CEQA will be addressed at the local district
2 level.

3 --o0o--

4 AIR POLLUTION SPECIALIST HARRIS: The risk
5 management guidance includes a section that will assist
6 with risk communication. It provides, in question and
7 answer format some information that explains concepts and
8 terms used in risk assessment and risk management. This
9 information, coupled with CAPCOA's update of the public
10 notification guidelines will be helpful for risk
11 communication.

12 The risk management guidance also provides
13 recommendations for districts to use while implementing
14 the requirements for district permit programs and for the
15 Hot Spots Program. In addition, there are recommendations
16 for breathing rates used in risk assessments for risk
17 management decisions.

18 The risk management guidance also contains a list
19 of district activities and ARB's work plan for addressing
20 the new risk assessment methodology for mobile and
21 stationary sources of air toxics.

22 --o0o--

23 AIR POLLUTION SPECIALIST HARRIS: We created the
24 risk management guidance through a collaborative effort
25 between ARB, CAPCOA and the districts. We held weekly

1 meeting over nine months. ARB and CAPCOA held two public
2 workshops, one in Diamond Bar and the second in Sacramento
3 during June on the draft version of the guidance.

4 Several thousand subscribers to seven ARB
5 listservs were sent a notice for the release of the draft
6 risk management guidance. At least 230 people viewed or
7 attended the workshops via the web or in person, and both
8 verbal and written comments were provided throughout the
9 public process.

10 We also relied on a task force with industry and
11 environmental representatives to discuss and provide input
12 on the guidance. We met three times over the
13 developmental time frame. ARB and CAPCOA also
14 participated in private meetings when requested.

15 --o0o--

16 AIR POLLUTION SPECIALIST HARRIS: California's 35
17 independent local air districts have the primary authority
18 for permitting stationary sources that emit air
19 pollutants. Each district has the authority to maintain
20 individual policies, rules, or procedures. The guidance
21 presented here is intended to assist districts that may
22 decide to revise their threshold levels associated with
23 the use of toxics best available control technology, also
24 known as TBACT, or permit approvals.

25 The recommendations include that districts may

1 elect to establish TBACT -- a TBACT requirement at a
2 cancer risk greater than one chance per million and/or a
3 non-cancer hazard index greater than one. A Hazard index
4 indicates the potential for non-cancer health effects.

5 Permits are approvable if the risk is below the
6 district permitting risk thresholds. Recommended
7 permitting risk thresholds are 10 to 25 chances per
8 million for cancer risk, and a noncancer hazard index less
9 than or equal to one.

10 The permitting guidance acknowledges that
11 districts may elect to establish a single permit risk
12 threshold for all sources or different permitting risk
13 thresholds for certain sources or categories of sources,
14 based on the criteria established by the district. There
15 are no specific recommendations for permit denial level.
16 Instead, permit denials are -- permit denial levels will
17 set by the districts.

18 There may be situations where permit approval
19 above or below the permitting risk threshold may be
20 appropriate. Factors for permit approval above the permit
21 levels could include, but are not limited to, the source
22 uses TBACT; the source supports essential goods or
23 essential public services as determined by the air
24 pollution control officer or defined by the local district
25 permitting policy, rules, or programs; or a significant

1 portion of the operation is due to readiness, testing, or
2 emergency use, an example of this would be hospital
3 generators; or there may be other district-specific
4 considerations.

5 One ramification of the OEHHA methodology on
6 permitting is that some equipment that could have gotten a
7 permit in the past may not be able to get a permit in the
8 future, or they may have to do additional things. Some of
9 those things could include adding additional controls,
10 changing processes or products used, or doing more
11 extensive and refined modeling.

12 --o0o--

13 AIR POLLUTION SPECIALIST HARRIS: This slide
14 covers the recommendations for the major requirements of
15 the Hot Spots Program. Prioritization is used by the
16 districts to determine which facilities must submit a risk
17 assessment. CAPCOA will be updating its prioritization
18 guidelines to reflect the new methodology and the use of a
19 newer air dispersion model.

20 Public notification is required if risk
21 assessment results are above district-specified
22 notification levels. When this happens, facilities follow
23 the district procedures for public notification. CAPCOA
24 will also be updating the public notification guidelines
25 to address information used in notification.

1 CAPCOA will develop drafts and then discuss these
2 documents at a workshop. Upon approval by CAPCOA,
3 individual districts can utilize the recommendations to
4 develop any changes in their individual programs.

5 A risk reduction audit and plan is required if
6 risk assessment results are above the district specified
7 threshold -- threshold levels risk reduction, audit, and
8 plans. When this happens, a facility must develop and
9 implement a plan that is approved by the district to
10 reduce the risk below the threshold level within a
11 specified time frame.

12 The risk management guidance does recommend that
13 risk reduction, audit, and plan levels not exceed 100
14 chances per million for cancer risk or a hazard index of
15 10 for non-cancer.

16 For reference, the risk management guidance also
17 includes a list of 2014 threshold levels the district used
18 for prioritization, notification, and risk reduction audit
19 and plans. AB 2588 impacts will depend on what the
20 districts decide to do. However, it is likely that more
21 facilities may have to complete public notifications
22 and/or risk reduction, audit, and plans.

23 --o0o--

24 AIR POLLUTION SPECIALIST HARRIS: The breathing
25 rate policy in Appendix D of the risk management guidance

1 provides recommendations for inputs used in risk
2 assessment. This policy uses new science on childhood
3 sensitivity, and the new breathing rates. The policy
4 recommends using a combination of breathing rates in
5 cancer risk calculations to be protective of the most
6 vulnerable.

7 Next slide.

8 --o0o--

9 AIR POLLUTION SPECIALIST HARRIS: As CAPCOA and
10 ARB pursue the activities listed in the next group of
11 slides, we'll continue to work in an open public process
12 with industry, the environmental community, and the public
13 to determine the best way to protect public health in
14 consideration of health risk and cost consistent with
15 State law.

16 As previously mentioned, CAPCOA will be updating
17 the prioritization and public notification guidelines over
18 the next year. Individual districts are also evaluating
19 their other programs, policies, and procedures to
20 determine if changes need to be made, and districts will
21 work with stakeholders throughout this process if changes
22 are needed.

23 --o0o--

24 AIR POLLUTION SPECIALIST HARRIS: ARB uses many
25 tools to reduce public exposure and potential risks from

1 air toxics. California has a comprehensive air toxics
2 program for addressing sources of air toxics. Since the
3 80s, ARB and the districts have established and
4 implemented air toxic control measures, rules, policies,
5 and procedures.

6 Through the toxic air contaminant,
7 identification, and control program, the ARB has
8 identified over 200 air toxics as toxic air contaminants.
9 This led to OEHHA providing cancer and non-cancer health
10 factors for use in risk assessments, and to the ARB's
11 Development of control measures, ATCMs, that use the
12 toxics best available control technology in consideration
13 of cost and risks for sources emitting toxic air
14 contaminants.

15 Districts implement these State ATCMs or their
16 own versions of the measures. The district versions are
17 at least equivalent or are more protective.

18 ARB also partnered with ports, railroads, and
19 other industries on programs to reduce emissions of toxics
20 from these operations. Familiar incentive programs, such
21 as the Carl Moyer, or Proposition 1B, and the low-carbon
22 transportation have been effective in accelerating the
23 replacement of higher polluting vehicles.

24 Other very specialized incentive programs like
25 the one for non-toxic dry cleaning alternatives help other

1 businesses to make similar transitions to cleaner
2 operations. Enforcement, education, and outreach
3 activities by the ARB and districts are also valuable
4 tools to reduce potential health risks from air toxics.

5 --o0o--

6 AIR POLLUTION SPECIALIST HARRIS: ARB staff has
7 developed a multi-year work plan to review -- to review
8 and update, where necessary, our policies and regulations.
9 We will use our customary process consultation and public
10 workshops on any changes. Key elements of the plan
11 include: Release of the Hotspots Analysis and Reporting
12 Programs software concurrent with the OEHHA guidance
13 manual. This was coordinated to place risk guidance and
14 the tool to implement it on the streets simultaneously.

15 Update of the existing ARB guidance to the
16 districts for toxics permitting, hot spots, and inhalation
17 risk assessments is the next item. This was -- is
18 presented in the document today as a joint effort with
19 CAPCOA.

20 In 2016, staff will recommend updates to the hot
21 spots fee rule and the emission inventory, criteria, and
22 guidelines for Board consideration.

23 Also, in 2016, we will work with CAPCOA to
24 develop industry-wide guidelines for sources that support
25 essential goods and essential public services where their

1 emissions may result in cancer risk estimates above
2 district thresholds. Examples of these types of sources
3 include gasoline dispensing facilities or emergency
4 standby diesel engines.

5 --o0o--

6 AIR POLLUTION SPECIALIST HARRIS: Over the course
7 of the -- over the course of two years, ARB staff will be
8 assessing the statewide control program to reduce the
9 health risk from air toxics. We will review the existing
10 control measures in two steps to identify any that may
11 need to be updated. Initially, ARB anticipates focusing
12 on the ATCMs with risk-based provisions to ensure they
13 remain health protective.

14 In addition, ARB will be developing further
15 controls and incentives to move more sources to zero and
16 near-zero emission technology. This will be done through
17 the public process on the sustainable freight strategy and
18 the State implementation plan.

19 The Governor's new 2030 climate targets and
20 recent State legislation are driving additional planning
21 efforts that will also emphasize zero emission solutions
22 with co-benefits for air toxics.

23 In 2016, ARB expects to make very focused updates
24 on the land use handbook.

25 --o0o--

1 AIR POLLUTION SPECIALIST HARRIS: This slide
2 summarizes the time frames and major milestones in the
3 first three years of ARB's workplan. It summarizes the
4 guidelines and tools that have or will be developed. It
5 includes three statewide planning efforts. It also lists
6 the first ATCMs we will be reevaluating and other
7 regulations we will bring to the Board. These include
8 amendments on the chrome ATCM to harmonize with federal
9 requirements, as well as changes to the portable equipment
10 rule to align the near-term fleet requirements with the
11 engines available.

12 Both of these rule-making processes will provide
13 opportunity to look at what more could be done to achieve
14 additional benefits.

15 We plan to develop a report that documents our
16 review of existing ATCMs and return to the Board in 2017
17 with staff recommendations on next steps.

18 --o0o--

19 AIR POLLUTION SPECIALIST HARRIS: This slide
20 summarizes the major areas of comments and discussion in
21 response to the initial draft document. I am pleased to
22 report that we were able to include additional text in
23 this version of the guidance that responds to most of the
24 stakeholder's recommendations.

25 Business interests urged us to expand the risk

1 communication discussion in the document, so that they can
2 draw upon official air agency materials in their
3 communications. We did so.

4 Environmental and community advocates asked us to
5 emphasize that the State response to the new risk
6 assessment methodology should be to increase, not merely
7 maintain, the existing levels of health protection. The
8 joint ARB and CAPCOA recommendations in this document will
9 accomplish this shared objective. Multiple stakeholders
10 urged CAPCOA to commit to update the hot spots
11 prioritization and public notification procedures in a
12 public process. CAPCOA has done so.

13 One stakeholder recommended that we significantly
14 expand the discussion and recognition of California's
15 progress in reducing diesel pollution. The Board, U.S.
16 EPA, the districts, the engine manufacturers and the
17 California fleets can be proud of the State's
18 accomplishments in this area. We did not go as far as
19 this comment urged, because diesel particulate matter is
20 still responsible for approximately 60 percent of the
21 excess cancer risk from air toxics in California.

22 Therefore, we have more work left to do,
23 especially in light of the new information on increased
24 sensitivity of children.

25 Finally, multiple stakeholders encouraged ARB and

1 CAPCOA to continue engaging stakeholders in the
2 development of all the subsequent proposals and documents,
3 and we are committed to doing so.

4 --o0o--

5 AIR POLLUTION SPECIALIST HARRIS: In conclusion,
6 ARB staff recommends that the Board approve the joint Air
7 Resources Board and California Air Pollution Control
8 Officers Association risk management guidance for
9 stationary sources of air toxics, and that we continue to
10 partner and engage with the districts, CAPCOA, and
11 stakeholders on action items in the ARB and district
12 workplans.

13 I want to thank you for your attention. This
14 concludes ARB's presentation.

15 Alan Abbs, the new executive director of the
16 California Air Pollution Control Officers Association will
17 now make a statement on behalf of CAPCOA.

18 Alan.

19 CAPCOA EXECUTIVE DIRECTOR ABBS: Thank you, Greg,
20 and thank you, Chair Nichols and members of the Board. As
21 Greg has mentioned numerous times we he's given
22 presentations like this, this has been a great working
23 process between ARB staff and the local air districts and
24 CAPCOA. And specifically on the Air Resources Board side,
25 I'd like to acknowledge Cynthia Marvin also Robert

1 Krieger, Greg and Dan Donohoue as well who did a lot of
2 the initial work before he retired.

3 On the air district side, we couldn't have gotten
4 this done without the expertise from Jill Whynot from the
5 South Coast. And then as part of our work group, we also
6 had representation from all the large air districts plus
7 most of the medium-sized air districts, and a few of the
8 small and rural air districts.

9 And so it was a great working process. As Greg
10 mentioned, it lasted well over nine months. And I think
11 we have a really good document that provides a much needed
12 update from the original document in the early 1990s.

13 As Greg also noted, CAPCOA is committed to
14 updating the prioritization guidelines and also the public
15 notification guidelines. And we started a process to do
16 that and to make it a public process, so that we can get
17 stakeholder input before we bring forward a final
18 document.

19 And lastly, I'd like to say that even though the
20 Board hasn't weighed in on this document yet, the air
21 districts are already moving forward with reviewing their
22 current risk management at the local district level. Some
23 of them are making changes to their risk management
24 programs, or they've briefed their boards. And so we've
25 already started the process to make changes to our

1 programs to be more health protective here in California.

2 So with that, I will turn it back to staff.

3 CHAIR NICHOLS: Thank you.

4 Did you wish to call on either Dr. Marty or Ms.
5 Whynot at this point or shall we just go straight to the
6 witnesses?

7 TRANSPORTATION AND TOXICS DIVISION CHIEF MARVIN:

8 No, we'd recommend you go straight to the
9 witnesses. They are up here to provide reinforcements and
10 help us respond to any questions.

11 (Laughter.)

12 CHAIR NICHOLS: They add a lot to the --

13 TRANSPORTATION AND TOXICS DIVISION CHIEF MARVIN:

14 Yes, ma'am.

15 CHAIR NICHOLS: -- diversity and the quality of
16 the presentation. So thanks for being here.

17 Okay. Let's begin then with Mr. Lusk.

18 MR. LUSK: Thank you, Chair Nichols and members
19 of the Board. My name is David Lusk, and I'm a Senior Air
20 Quality Engineer with the Butte County Air Quality
21 Management District. I'm here on behalf of my agency and
22 APCO to speak in support of the proposed guidance before
23 you today.

24 As a staff member participating on the work team
25 with ARB and CAPCOA members, I wish to commend ARB staff

1 on their efforts to work with districts through CAPCOA to
2 garner our input and ensure our concerns were vetted, and
3 for writing and assembling the document. We believe the
4 guidance provides the necessary framework to help
5 districts evaluate and amend their toxic programs to
6 implement the new OEHHA methodologies to further protect
7 public health while balancing the needs of the community
8 and regulated sources.

9 Thank you for this opportunity to address you in
10 favor of adopting the proposed guidance.

11 CHAIR NICHOLS: Thank you. Mr. VanMullem.

12 MR. VanMULLEM: Madam Chair, members of the
13 Board, my CAPCOA colleagues, my name is Dave VanMullem and
14 I am the air pollution control officer for Santa Barbara
15 County APCD. I am here to comment on the proposed risk
16 management guidance for stationary sources of air toxics.

17 First, I would like to compliment the ARB and
18 CAPCOA on their considerable efforts in preparing this
19 document. We believe that it will greatly benefit our
20 management efforts towards air toxics throughout our
21 State.

22 However, I am here today because I feel compelled
23 to comment on one of the key objectives guiding its
24 development. Specifically, we strongly disagree with key
25 objective number 4 on page 10, which states, "Ensure that

1 future program changes will not result in health
2 protective program requirements relative to rules or
3 programs in place prior to the 2015 OEHHA manual".

4 We are concerned that this guiding objective
5 could be interpreted in such a way as to undermine the
6 goals of the Children's Environmental Health Protection
7 Act SB 25.

8 SB 25 and the 2015 OEHHA manual were adopted to
9 ensure our infants and our children are adequately
10 protected from toxics air pollution. A key objective for
11 states that air toxic programs only need to be as health
12 protective as they were before the OEHHA manual was
13 published. In other words, it would be permissible to
14 maintain an air toxics program as is without addressing
15 the significant updated science as mandated under SB 25.

16 Also, I'd like to bring to your attention that
17 health risks before the new manual came into effect were
18 grossly underestimated the risks to our children, our
19 grandchildren, and those generations to come.

20 In summary, key objective 4 neither ensures that
21 the new science will be implemented, nor does it ensure
22 the health protection of our youngest, most susceptible
23 population. This language is in conflict with the
24 legislation our agencies are mandated to implement.
25 Therefore, we respectfully ask the key objective be

1 removed in its entirety -- entirety and altered to simply
2 read, "Ensure that the 2015 OEHHA manual is fully
3 implemented".

4 Thank you.

5 CHAIR NICHOLS: Thank you.

6 BOARD MEMBER BALMES: Madam Chair?

7 CHAIR NICHOLS: Yes, Dr. Balmes.

8 BOARD MEMBER BALMES: Could we get staff to
9 respond to that specifically at this point or do you want
10 to wait?

11 CHAIR NICHOLS: Yes, sure. Absolutely.

12 TRANSPORTATION AND TOXICS DIVISION CHIEF MARVIN:

13 Thank you, Dr. Balmes. We appreciate that
14 opportunity. So I want to be clear that Santa Barbara,
15 all of CAPCOA, and all of ARB staff have the same general
16 view of this, which is the new health science is important
17 in signaling what we need to do. That was the driver
18 behind the development of all of the provisions in this
19 guidance. The number one objective, as stated in that
20 same section, is to increase overall public health
21 protection. So there's no disagreement about that.

22 What you heard was one of 35 air districts that
23 has a different view about one sentence in the entire
24 guidance document. And with all respect to Mr. VanMullem,
25 he stated that it meant that district -- it was okay for

1 districts to do no more than they do today.

2 From our perspective, what the words say is that
3 we're asking districts to ensure that the future program
4 changes don't backslide. That's essentially what that
5 piece is. And so what we've suggested in the guidance
6 that -- is that we're bracketing it. No district should
7 weaken its existing program. That seems like a
8 no-brainer. We concur on that. But the objective, the
9 number one objective, is to strengthen that public health
10 protection.

11 So we felt it was important to have that back --
12 no backsliding language in here, we worked very carefully
13 with CAPCOA to craft the words on the no backsliding.
14 These were the words that we ended up with for clarity
15 sake.

16 The other point I would make is that these are
17 not objectives for the program going forward. These were
18 the objectives that we had agreed on with CAPCOA and
19 discussed with the task force up front that were to guide
20 and inform the development of the specific provisions that
21 are before you on the guidance for permitting for hot
22 spots and for inhalation risk assessments.

23 CHAIR NICHOLS: I understand your answer, but I
24 feel there's something that perhaps you're not saying,
25 which I need to probe a little bit more, which is why

1 would anyone think there would be any backsliding? I
2 mean, what's the need for the sentence at all? There's
3 nothing about the OEHHA new risk assessment that suggests
4 that anyone would be able to backslide that I'm aware of.

5 TRANSPORTATION AND TOXICS DIVISION CHIEF MARVIN:

6 Well, remember the OEHHA guidance describes how
7 we assess risk. It doesn't describe or direct what you do
8 with that. And as we were entering into discussions with
9 the districts about the changes that they were considering
10 to their programs, I will just say that there was a
11 universe of different opinions about how districts might
12 respond to this. And they did vary from one end of the
13 spectrum to the other. I'd prefer not to be more specific
14 than that.

15 CHAIR NICHOLS: I'm not asking you to name names.

16 TRANSPORTATION AND TOXICS DIVISION CHIEF MARVIN:

17 We felt it was important to have this.

18 CHAIR NICHOLS: When one area feels strongly
19 enough about this and one that is known, I would say for
20 being on the progressive end of the spectrum when it comes
21 to pollution control programs. It's just a cause for
22 concern.

23 So any other questions or comments on that
24 particular point at this stage? Maybe we can talk about
25 it as we move forward.

1 Let's hear from the rest of the witnesses though.
2 Larry Greene from Sacramento.

3 MR. GREENE: Madam Chair, I'm Larry Greene. The
4 air pollution control officer at Sac Metro Air Quality
5 Management District. To speak to that issue a bit, just
6 for a second.

7 Obviously, this is a negotiated list, and we
8 worked very hard on this. I would say that my colleague
9 has been very passionate in his interest to protect public
10 health. We all have. And we, in considering his
11 comments, which caused us -- he's caused us to think, just
12 like you, about this a lot. And we feel like the list
13 that's there is the appropriate one, but we also have
14 thought and think and agree with him that this program is
15 not backsliding. It's moving forward. And I think the
16 first line there, the first paragraph states that clearly.

17 And I did want to, in my comments, commend the
18 Air Resources Board, and everyone here, that has worked on
19 this program. In my short time, as an air pollution
20 control officer, I have seen a lot of interactions between
21 the Air Resources Board and the districts. This to my
22 mind is one of the best examples of work that we've done
23 jointly.

24 This was not an easy effort. When we saw what
25 was going to happen as these new guidelines came out, we

1 knew that overlaying those on a program that had been in
2 place 20 years was going to be difficult. We knew the
3 objective was to clearly recognize the public health
4 changes and to implement those over time, but we needed to
5 figure out how we could do that in a context that didn't
6 disrupt essential businesses, hospitals, and many other
7 pieces of the district programs.

8 However, the ultimate goal is to get to a better
9 place. And you've seen the work plan there. It's a very
10 rigorous work plan, and we will continue to be engaged
11 together over the next several years in working to
12 implement those. The districts have major roles in some
13 of those, and in others it's the State Air Resources Board
14 staff that's doing that.

15 So I ask you to approve this. I think it's a
16 good program, and I know for my fellow districts that we
17 will work very hard individually. And we have to, because
18 each of us will have to adopt rules at our own local level
19 that implement this. And I will be in front of my board
20 here over the next several months discussing how we will
21 implement this. And then we will be engaged over time in
22 all the other pieces that you saw in the work plan. So
23 thank you very much, and again thanks to everyone who's
24 worked on this program.

25 CHAIR NICHOLS: Thanks, Mr. Greene.

1 Bill Magavern

2 MR. MAGAVERN: Good morning, Madam Chair, Madam
3 Vice Chair, and Board members, both modelers and others.

4 (Laughter.)

5 MR. MAGAVERN: I'm Bill Magavern with the
6 Coalition for Clean Air. I participated in the three
7 workshops -- excuse me, the three task force meetings and
8 also the workshop that was held here in Sacramento. And
9 we at Coalition for Clean Air have a lot of respect for
10 the scientific work that's done by OEHHA and think that
11 it's vital that we do update our air toxics risk
12 management practices according to the best science that's
13 available.

14 And so I think it's really critical that we focus
15 on the finding here, because what we are now being told by
16 the scientists is that our residents, especially our
17 children, are more at risk from air toxics than we had
18 known before. And so that's, you know, what fundamentally
19 matters to the people that are breathing these toxins, and
20 is why we think that objective number 1 really is the
21 crucial one. That we address the new health science by
22 increasing overall public health protection.

23 So we urge you going forward to continue to make
24 that the number one objective and to do everything
25 possible to reduce the incidences of illness and premature

1 death that our people are subjected to by air toxics. We
2 particularly support the recommended actions to update the
3 air toxic control measures, to update the land use
4 handbook, and, of course, as the Chair has pointed out,
5 that most of the risk from air toxics is coming from
6 diesel exhaust. And about half of that is coming from
7 freight, which of course brings us back again to the
8 importance of the sustainable freight strategy.

9 And I want to congratulate the Board and the
10 staff on the Executive Order on freight that Governor
11 Brown issued on Friday, which is going to help bring all
12 the agencies together, and continued to move forward the
13 very important work that you're doing on freight.

14 When it comes to risk communication, I think it
15 is vital that we give people clear information that they
16 can understand and to convey this new scientific
17 information that we have.

18 So appreciate the time that you're giving to
19 this, and the cooperation between the Board and the air
20 districts as well as the non-governmental interests
21 involved.

22 Thank you.

23 CHAIR NICHOLS: Thanks.

24 Ms. Barrera.

25 MS. BARRERA: Good morning, Chair Nichols and

1 members of the Board. I'm Jennifer Barrera on behalf of
2 the California Chamber of Commerce, a policy advocate.
3 You may be more familiar with my colleague Anthony Sampson
4 who has been working directly on this issue, and helping
5 develop the proposed risk management guidance for
6 stationary sources of air toxics.

7 Unfortunately, Anthony is unavailable to attend
8 today's meeting and so he has asked that I deliver the
9 following remarks on his behalf:

10 We are here today representing a collation of
11 more than 100 organizations representing business, labor,
12 health care, agriculture, local government, and other
13 organizations who have participated in workshops at the
14 State and local level, provided formal comment letters,
15 and otherwise provided feedback on the discussion of these
16 guidelines.

17 We want to start by thanking you, CAPCOA, staff,
18 OEHHA, for your diligence on this matter and for taking
19 into consideration the concerns of the business community
20 and regulated entities. We're happy to see that some of
21 our concerns have been addressed in the version being
22 discussed today.

23 Under the proposed changes in air toxics risk
24 assessment methodology, facility risk estimates will be
25 one and a half to three times higher relative to estimates

1 using current methodology, even though there has not been
2 any increase in actual facility or -- excuse me facility
3 emissions.

4 The revised guidance shows a marked improvement
5 in explaining the policy choices that drive increases in
6 facility risk estimates. And it provides useful context
7 for understanding risk estimates relative to background
8 health risks.

9 However, we are still concerned that these
10 guidelines do not provide enough utility for local air
11 districts, when faced with critical decisions, such as
12 issuing a permit to a facility that exceeds local
13 thresholds when extenuating circumstances exist.

14 These concerns aside, the coalition feels that
15 the most important changes made to the proposed risk
16 management guidelines is CAPCOA's willingness to open the
17 door to stakeholders in updating the 1992 public
18 notification guidelines.

19 Messaging and notification templates established
20 under the old guidelines could lead to unnecessary public
21 alarm, as many individuals will be receiving these notices
22 for the first time. The coalition recommends updating the
23 public notifications to more user-friendly
24 question-and-answer format.

25 We also urge the Board to include the following

1 messages in any risk communication letters, where
2 applicable:

3 Higher risk estimates are the result of recent
4 changes in how air toxic risks are estimated, not actual
5 increases in toxic emissions. Air toxic emissions have
6 decreased dramatically over the past 30 years due to State
7 and local regulatory programs and improvements in air
8 toxics emission control technology.

9 Risk estimates are not a bright line between
10 safety and danger. Facility health risk estimates are
11 small relative to background health risk.

12 Thanks to the work of the Board and local
13 pollution control districts, we have greatly reduced air
14 emissions in California by approximately 75 percent.

15 Thank you for being able to provide these
16 comments.

17 CHAIR NICHOLS: Thank you. These are helpful
18 comments. And the letter, I know, did lead to some
19 changes in the actual guidelines. And I think your
20 additional comments about communication are worth further
21 consideration. So, thanks.

22 Hi, Mr. Skvarla.

23 MR. SKVARLA: Hi. Mikhael Skvarla with the
24 Gualco Group here on behalf of the California Council for
25 Environmental and Economic Balance.

1 We'd like to take a moment just to recognize the
2 efforts of staff and -- at the ARB and with CAPCOA for all
3 their efforts on this. We appreciate the process. It --
4 with the changes in the science, there was a lot of alarm
5 and a lot of concern.

6 ARB was diligent, along with the CAPCOA staff, to
7 make sure that all stakeholders were at the table and that
8 the process went smoothly to get to this point. So we
9 just wanted to take a moment to recognize staff and thank
10 them and the Air Resources Board for moving forward on
11 this.

12 CHAIR NICHOLS: Thank you very much.

13 I think that concludes our list of witnesses.
14 And we have a resolution of approval in front of us. I
15 appreciate the fact, and I'm happy to know, that the
16 districts are not waiting around for ARB to approve this
17 document before going out and making changes. I think
18 that's a positive sign.

19 And in reality, I feel that our action today is a
20 bit of a request for a rubber stamp, to be honest with
21 you. I don't mean that necessarily in a bad way, because
22 a great deal of work went into this by expert staff. And
23 they listened to stakeholders. And has been suggested
24 several times, what they've come up with is a negotiated
25 document.

1 So while I could see some ways in which I would
2 personally like to edit it a little bit, I realized that's
3 not really what's being called for here. But I do want to
4 express my view that we're not finished yet with the
5 process of improving the way we communicate about toxic
6 risks. And so I'm going to turn to Dr. Balmes who's going
7 to explain how this is all going to happen.

8 (Laughter.)

9 CHAIR NICHOLS: Or maybe not.

10 (Laughter.)

11 BOARD MEMBER BALMES: First off, it was really
12 music to my ears to hear one of the district
13 representatives say, you know, how well the process worked
14 with staff. I think, you know, we're at our best when
15 staff and CAPCOA are in agreement after a lot of work to
16 get there. So again, that -- I want to praise that really
17 good joint effort, because I know this isn't that easy to
18 translate these guidance documents.

19 I also want to thank Dr. Marty representing
20 OEHHA, which is a -- which provided the initial guidance
21 document that I know a lot of work went into that. And I
22 don't know if the -- my fellow Board members appreciate
23 the reason why breathing rates are important here.

24 BOARD MEMBER SERNA: Rates are important here. I
25 do recognize that.

1 (Laughter.)

2 BOARD MEMBER BALMES: Kids breathe a lot faster
3 relative to their weight -- their body weight than
4 oldsters like us, so they actually get a greater effective
5 dose.

6 So I think it's great that we are -- we came up
7 with guidance -- a guidance document that reflects the
8 increased knowledge with regard to susceptibility. And I
9 really appreciate that CAPCOA is in support of this. And
10 I want to also thank Mr. VanMullem for being opposed
11 because he wants it to be more definitively precautionary
12 in its approach. But I felt that Cynthia Marvin's
13 response reassured me that this language has been
14 negotiated, and -- you know, I'm not trying to tweak it,
15 but I appreciate that Santa Barbara wants to -- wants to
16 make sure that we go forward as opposed to backsliding.

17 And I think it's important for me to highlight
18 the fact that we're focusing on air toxics here, because
19 as we improve air quality with regard to the criteria
20 pollutants -- everybody knows that lingo, you know, ozone,
21 PM2.5, and NO₂, the ones that we have nationally ambient
22 air quality standards from the U.S. EPA that we have to
23 respond to and implement, air toxics, I think, are more
24 important with regard to health outcomes.

25 So I applaud the focus on air toxics here. And

1 I'm also pleased, as Mr. Magavern brought up, that, you
2 know, one of the main approaches to reducing air toxic
3 exposure is a clean freight strategy. And so I'm also
4 pleased that Cynthia Marvin's purview includes both these
5 air toxic hot spots, if you will, and our clean freight
6 strategy.

7 And finally, I want to agree with Ms. Barrera
8 with regard to the Chamber's request about not being
9 overalarmist with regard to the public messaging about
10 this. I think hazard communications is difficult, as the
11 Chair suggested. And I certainly don't consider myself an
12 expert with regard to hazard communication. But over the
13 many years that I've been involved with environmental
14 health and trying to communicate to the public, I think
15 the last thing we need is to be overalarmist here, when,
16 in fact, we're just aligning the science with the risk
17 assessment approaches that districts have to do, as
18 opposed to saying there's some big new problem.

19 We have a problem still that we're trying to
20 address with regard to air toxic exposures, but it's not
21 suddenly worse. And as a matter of fact, I would say for
22 the messaging that slide two is a perfect slide to be part
23 of that messaging, where it shows that despite population
24 growth, vehicle growth, and economic growth, there's been
25 a reduction in emissions.

1 That's a tribute to what the districts have done
2 and what the Board has helped guide them to do. So that
3 would be an important part of the messaging for me.

4 CHAIR NICHOLS: Thank you, Dr. Balmes.

5 Ms. Riordan.

6 BOARD MEMBER RIORDAN: Yes. Thank you. I want
7 to congratulate all of you on what appears to be a very
8 good, cooperative effort. And very specifically, my
9 thanks to CAPCOA, or whomever made the decision, to
10 include not only the large districts, but the mid-sized
11 and smaller districts. I think that gives me some comfort
12 coming from, you know, albeit a smaller district, that I
13 can go back to them and say, we all participated in this
14 process. And so I'm hopeful you can continue to keep the
15 collaborative effort together of all types of districts.

16 And then to the final point, which is the
17 notification or the messaging that we work with. I am
18 hopeful that we will continue to work on that, so that we
19 don't unduly alarm people. You can say things in many
20 ways. And some of them elicit unfortunately some
21 responses that are not necessarily good. And you then
22 have to put out a lot of fires before you actually get to
23 the realization of what we're trying to do.

24 So if we should continue to work on that, I think
25 that would be an excellent effort. But I do congratulate

1 all of you.

2 CHAIR NICHOLS: Mr. Gioia.

3 BOARD MEMBER GIOIA: The other aspect I wanted to
4 raise, because I think communication is important is sort
5 of relative risk, because we don't do the best job
6 communicating to the lay public about what risk means, so
7 if we have a risk level in isolation. So I'd like us to
8 think about how we put this in relation to whatever the
9 most appropriate standards would be in comparing to
10 something that's meaningful on relative risk. Do you have
11 thoughts or have you --

12 CAPCOA EXECUTIVE DIRECTOR ABBS: Yes, sir. I
13 think you've hit the nail on the head, as well as the
14 other Board members. Risk communication, as we've found
15 throughout this process, has probably been the most
16 difficult thing to wrap our hands around, as you can see,
17 even with the key objectives that formed the basis of this
18 document that we talked about a year ago, nine months ago.
19 When we were first given this task and we started thinking
20 about the OEHHA risk assessment changes, and how we were
21 going to merge that into a guidance document, we -- even
22 at that time, as Cynthia alluded to, a lot of districts
23 had different ideas from the outset about what that would
24 mean in terms of their own risk management guidelines.

25 And a lot of that was because we weren't very

1 sophisticated about risk communication, because it was
2 something that we hadn't thought about for a long time.
3 And so I think this process, for one, has really raised
4 the issue to us that risk communication is difficult, and
5 it's something that we have to work on.

6 Depending on who you're talking to about the
7 risks of a facility, they have different expectations
8 about the type of information they want to get. They have
9 different expectations about what risk is. They have
10 different expectations about whether a facility has done a
11 lot of work to reduce risk in the past or, you know, how
12 much they can really do in the future to reduce risk.

13 And all that is going to end up informing this
14 future CAPCOA risk notification document. And, at the
15 same time our last document is over 20 years old, the
16 communication strategies that we identified back then are
17 obviously old and outdated, and so we have to think about
18 new ways to not only communicate risk, but to communicate,
19 period.

20 And so it will -- this -- it sounds like it will
21 be a lot more challenging project than we initially
22 thought it would.

23 BOARD MEMBER BALMES: If I can chime in, just a
24 second?

25 CHAIR NICHOLS: Yes.

1 BOARD MEMBER BALMES: If you would like a
2 physician who has some experience in the concept of
3 relative risk to review what you come up with, I'd
4 volunteer to do so.

5 CAPCOA EXECUTIVE DIRECTOR ABBS: I appreciate
6 that, and I think we'll take you up on that offer. Thank
7 you.

8 (Laughter.)

9 CHAIR NICHOLS: I think you're hereby designated
10 as OEHHA liaison from the Board to this effort. And I
11 really appreciate the fact that there's been a huge amount
12 of progress clearly in reflecting the new science in this
13 document. No reason not to move forward with using it.
14 But at the same time, I think we do all recognize that
15 there's some additional ways in which we can communicate
16 with the public about what this all means. That would be
17 helpful to everyone.

18 So with that -- yes.

19 BOARD MEMBER SHERRIFFS: It's been great that
20 there's been all this collaborative non-toxic discussion
21 between staff and CAPCOA and industry and so on.

22 (Laughter.)

23 BOARD MEMBER SHERRIFFS: And I think the
24 discussion that's been pointed out, brought up by Dave
25 VanMullem, it's good that we've had this discussion to

1 reemphasize what we mean here because words can be
2 confusing. And I think it's important that the Board has
3 had this discussion and reemphasized, yes, this all
4 follows from -- everything is intended to increase overall
5 public health protection, and that business as usual would
6 not be doing that. So it's been good. I want to
7 reemphasize that.

8 CHAIR NICHOLS: And is that a motion to approve?

9 BOARD MEMBER SHERRIFFS: And a motion to approve.

10 CHAIR NICHOLS: Thank you.

11 VICE CHAIR BERG: Second.

12 CHAIR NICHOLS: And we have a second as well.

13 All right. All in favor, please say aye?

14 (Unanimous aye vote.)

15 CHAIR NICHOLS: Any opposed?

16 Any abstentions?

17 Very good. Thank you. This has been a very
18 useful discussion.

19 We have one more item this morning. Also a very
20 important and interesting item. This is an information
21 item providing an initial assessment of EPA's recently
22 announced phase 2 greenhouse gas standards for heavy-duty
23 trucks. It flows nicely from our last discussion about
24 what the greatest source of health risks is, as far as
25 Californians are concerned.

1 And I want to say that that's our last item.
2 We'll take a brief public comment, and then break for an
3 executive session, which we have scheduled for the noon
4 hour.

5 So without too much further ado, as the staff is
6 assembling, why don't I just make a couple additional
7 comments.

8 In 2011, U.S. EPA and National Highway Traffic
9 Safety Administration jointly adopted the first ever
10 national greenhouse gas emissions and fuel economy
11 standards for medium- and heavy-duty engines and vehicles,
12 which they called phase 1 greenhouse gas standards,
13 recognizing that there would be obviously another phase.

14 On July 13 of this year, U.S. EPA published its
15 notice of proposed rule-making for the follow up to these
16 phase 1 standards, known as phase 2. This agenda item
17 will provide the Board with a preview of the proposed
18 federal phase 2 greenhouse gas program, and staff's
19 initial assessment of the proposal.

20 I think it's important in this conversation that
21 we recognize that there are very important benefits that
22 this measure will provide in reducing greenhouse gas
23 emissions, and that we welcome EPA's initiative in moving
24 forward. At the same time, we also have to make it clear
25 that we have continuing and significant concerns regarding

1 emissions of oxides of nitrogen from heavy-duty trucks, so
2 that as EPA is working to finalize their proposal, we have
3 to continue to reinforce to them the importance of further
4 reducing NOx emissions, as well as to signal the need for
5 them to move quickly towards developing lower national NOx
6 standards for heavy-duty trucks, as soon as their work on
7 these phase 2 standards is complete.

8 We will be participating in their process. And
9 at times, I think we will be taking positions that are
10 clearly at the -- in the direction of pushing for a
11 stronger outcome than what might be expected, if you went
12 with sort of the lowest common denominator approach of one
13 of the alternatives that is in front of them. That's a
14 role that California frequently places, of course. But I
15 think in this instance, it's even more apparent than it
16 may have been in some other cases, that while we're
17 working together to assess and evaluate and share data,
18 and collaborate, that California needs to maintain its
19 vigilance, and to be prepared to act as necessary to make
20 sure that we're getting the reductions that we need from
21 this very, very important source.

22 So with that, this is an informational item only,
23 so we're not going to be making any decisions, but I know
24 the Board is going to be keenly interested in this
25 discussion, and be wanting to both ask questions and

1 provide guidance to staff. And so without further ado,
2 will ask Mr. Corey to add any additional remarks.

3 EXECUTIVE OFFICER COREY: Yes. Thank you, Chair.

4 ARB staff, as indicated, coordinated closely with
5 U.S. EPA in the National Highway Traffic Safety
6 Administration staff as the federal agency's developed the
7 phase 2 proposal over the last several years. Now that
8 the notice of proposed rule-making for the phase 2
9 greenhouse gas standards has been published, a 60-day
10 public comment period has begun, which ends in September
11 11th of this year.

12 ARB staff is currently in the process of
13 reviewing the 2,000 plus page phase 2 regulatory proposal.
14 When our review is complete, we'll submit comprehensive
15 comments to U.S. EPA's public docket. And as you'll here,
16 our initial assessment is that while the proposal is not
17 as stringent as we would have liked, it's a crucial next
18 step towards meeting our greenhouse gas reduction goals.
19 We intend to work with stakeholders and the federal
20 agencies to provide comments to strengthen the proposal
21 before it's finalized next year.

22 Inder Atwal of the Mobile Source Control Division
23 will provide a description of the phase 2 proposal,
24 highlight some of the areas of the proposal that we
25 believe need to be strengthened, and discuss our planned

1 next steps.

2 With that, Inder.

3 (Thereupon an overhead presentation was
4 Presented as follows.)

5 AIR POLLUTION SPECIALIST ATWAL: Thank you, Mr.
6 Corey and good morning Chair Nichols, Vice Chair Berg, and
7 members of the Board. Today's update provides a summary
8 of the proposed federal phase 2 greenhouse gas and fuel
9 efficiency standards for medium- and heavy-duty engines,
10 and vehicles that ARB staff's initial assessment of the
11 proposal.

12 --o0o--

13 AIR POLLUTION SPECIALIST ATWAL: Phase 2
14 standards are the second phase of federal heavy-duty
15 greenhouse gas standards and build upon the phase 1
16 standards, which took effect last year and which extend
17 through model year 2019. The phase 2 standards will
18 accelerate the use of currently available technologies.
19 On a national basis they will save over 77 billion gallons
20 of fuel, improve mileage, particularly for long-haul
21 tractor-trailers and cut CO₂ emissions by over one billion
22 metric tons, helping stabilize the climate and reducing
23 our reliance on foreign oil. The phase 2 program will
24 represent the most comprehensive medium- and heavy-duty
25 truck greenhouse gas and fuel economy program in the

1 APUs, the phase 2 standards would cause a greater than 10
2 percent increase in toxic diesel particular matter
3 emissions for medium- and heavy-duty trucks nationwide.

4 Finally, the proposal fails to mention plans for
5 lower mandatory NOx standards for heavy-duty trucks.
6 Although the proposal focuses on reducing GHG emissions,
7 lower NOx standards are also crucial for California and
8 other states with ozone noncompliance issues.

9 Staff believes U.S. EPA should include a
10 discussion on the need for a newer lower federal NOx
11 standard for the same trucks covered by GHG requirements.

12 --o0o--

13 AIR POLLUTION SPECIALIST ATWAL: Today, I will
14 provide some background information on medium- and
15 heavy-duty trucks, and the current GHG standards. Next, I
16 will give an overview of the federal phase 2 proposal.
17 Then I'll present staff's initial assessment of the
18 federal proposal. Finally, I'll discuss our
19 recommendations for ARB's next steps.

20 --o0o--

21 AIR POLLUTION SPECIALIST ATWAL: Addressing
22 medium- and heavy-duty truck emissions is essential. Such
23 trucks account for 1/5th of the GHG emissions from the
24 transportation sector nationally, and represent the
25 fastest growing segment of emissions in the transportation

1 sector in both the U.S. and worldwide.

2 --o0o--

3 AIR POLLUTION SPECIALIST ATWAL: In California,
4 medium- and heavy-duty trucks over 8,500 pounds are
5 responsible for a third of the State's total NOx
6 emissions, and over a quarter of the diesel particulate
7 matter. Similar to their contribution on a national
8 basis, they also emit a fifth of the total greenhouse gas
9 emissions associated with transportation sources, which is
10 about eight percent of the statewide total.

11 That's why getting the phase 2 standards right is
12 so important. Without controlling this significant source
13 adequately, we will be significantly challenged in our
14 meeting -- meeting our petroleum reduction and greenhouse
15 gas goals.

16 --o0o--

17 AIR POLLUTION SPECIALIST ATWAL: In 2011, U.S.
18 EPA and NHTSA adopted the first national GHG and fuel
19 economy standards for heavy-duty trucks, the phase 1
20 standards, which relied on today's currently available
21 off-the-shelf technologies. While not technology forcing,
22 the phase 1 rule-making is projected to achieve
23 significant reductions. As an example for line-haul
24 sleeper trucks, their GHG emissions are expected to be
25 reduced by over 20 percent.

1 --o0o--

2 AIR POLLUTION SPECIALIST ATWAL: The phase 1
3 medium- and heavy-duty standards cover three categories of
4 vehicles, as shown here, line-haul tractors, vocational
5 vehicles, which include utility trucks, box trucks, and
6 garbage gauge trucks, and large pickups and vans.

7 --o0o--

8 AIR POLLUTION SPECIALIST ATWAL: In 2013, ARB
9 harmonized with the federal phase 1 program.
10 Specifically, this harmonization included making our
11 existing tractor-trailer greenhouse gas regulation, which
12 is AB 32 early action item, consistent with the federal
13 program.

14 ARB's adoption of phase 1 standards gave
15 manufacturers the ability to produce California certified
16 engines, and gave ARB the authority to enforce the
17 regulatory requirements. Phase 1 is expected to reduce
18 CO₂ emissions in California by about 12 percent in 2013.

19 --o0o--

20 AIR POLLUTION SPECIALIST ATWAL: I will now move
21 on to discuss the federal phase 2 proposal in more detail.

22 --o0o--

23 AIR POLLUTION SPECIALIST ATWAL: ARB coordinated
24 closely with U.S. EPA NHTSA during development of the
25 phase 2 standards. ARB staff met weekly with federal

1 agency teams for nearly two years and jointly met with
2 manufacturers. In addition, ARB commissioned aerodynamic
3 testing for vocational vehicles and small box-type
4 trailers called pups. Our testing showed that up to an
5 eight percent fuel consumption improvement is achievable
6 using aerodynamic devices on some vocational vehicles.

7 Staff has also submitted two technical letters to
8 U.S. EPA and intended to support specific elements of the
9 proposal. One submittal outlined procedures to be
10 followed to ensure that hybrids used to comply with phase
11 2 do not inadvertently increase NOx emissions.

12 In another letter, we recognize the solar
13 reflective glazing of windows can reduce the need for air
14 conditioning and fuel use, and recommend that a
15 methodology for quantifying such credits.

16 --o0o--

17 AIR POLLUTION SPECIALIST ATWAL: A notice of
18 proposed rule-making, or NPRM, is the mechanism by which
19 the federal agencies introduce a new rule. On June 19th,
20 2015, U.S. EPA posted a pre-publication version of the
21 NPRM on the website. A final version of the NPRM was
22 published on July 13th, triggering a 60-day comment
23 period.

24 Today's presentation is staff's initial
25 assessment of the proposal. Currently, staff from ARB's

1 various divisions are conducting an in-depth review of the
2 NPRM. When that review is complete we will submit a
3 comment letter into the federal docket.

4 --o0o--

5 AIR POLLUTION SPECIALIST ATWAL: The NPRM builds
6 on the phase 1 structure regulating line-haul, vocational,
7 and large vans and pickups. Phase 2 newly introduces
8 trailer requirements and adds provisions that require
9 engine and transmission integration. The phase 2
10 standards are more ambitious, and longer term than those
11 of phase 1, and will require more than just today's
12 off-the-shelf technologies to comply.

13 The requirements begin with model year 2018 for
14 trailers, and model year 2021 for engines and vehicles.
15 The U.S. EPA and NHTSA's proposal would phase-in through
16 the 2027 model year. The federal agencies are soliciting
17 comments on an alternative that would accelerate the
18 phase-in by three years.

19 --o0o--

20 AIR POLLUTION SPECIALIST ATWAL: This table shows
21 the projected fuel efficiency improvement percentages for
22 each of the categories listed. Anticipated reductions
23 from the phase 2 proposal range from three to eight
24 percent for trailers, and 18 to 24 percent for the largest
25 contributor to emissions, line-haul tractors. These

1 reductions are above and beyond the benefits already
2 expected from the phase 1 program.

3 --o0o--

4 AIR POLLUTION SPECIALIST ATWAL: Like phase 1,
5 the proposed phase 2 standards would also have separate
6 engine standards, in addition to the tractor and
7 vocational vehicle standards. Staff supports the
8 inclusion of a separate engine standard. These proposed
9 engine standards are expected to achieve a four percent
10 fuel efficiency improvement beyond what phase 1 required.

11 To meet the proposed engine standards,
12 manufacturers are expected to employ the use of waste heat
13 recovery, reduce parasitic losses, improve air flow
14 handling, as well as other efficiency improving
15 technologies.

16 --o0o--

17 AIR POLLUTION SPECIALIST ATWAL: The phase 2
18 proposal would reduce CO₂ by 18 to 24 percent beyond phase
19 1, for line-haul tractors, the biggest contributor to GHG
20 emissions of all the heavy-duty truck sectors.

21 This reduction includes the expected benefits
22 from the separate engine stands. To meet the proposed
23 tractor standards, manufacturers are expected to employ
24 aerodynamic improvements, engine, transmission, and
25 driveline improvements, use of lower rolling resistance

1 tires, and idle reduction technologies.

2 --o0o--

3 AIR POLLUTION SPECIALIST ATWAL: Phase 2 would
4 regulate trailers for the first time on national level,
5 building on the success of ARB's tractor-trailer GHG
6 regulation and EPA's Smartway Program.

7 Trailers come in a variety of types and sizes.
8 Phase 2 would require the use aerodynamic devices on
9 long-haul -- long and short box type trailers only.
10 Additionally, these trailers would require the use of low
11 rolling resistance tires and automatic tire inflation
12 systems. The fuel efficiency improvement from box-type
13 trailers is projected to range from seven to eight
14 percent.

15 --o0o--

16 AIR POLLUTION SPECIALIST ATWAL: In addition, to
17 box-type trailers, the proposal would require the use of
18 low rolling resistance tires and automatic tire inflation
19 systems on non-box trailers. The use of aerodynamic
20 devices would not be required from non-box trailers. The
21 expected fuel efficiency improvement from non-box trailers
22 is between three and four percent, around half the benefit
23 expected for box trailers.

24 --o0o--

25 AIR POLLUTION SPECIALIST ATWAL: The proposal

1 would reduce CO₂ emissions for vocational vehicles by 12
2 to 16 percent beyond phase 1. Vocational vehicle
3 manufacturers are expected to apply engine and
4 transmission improvements, and the use of low rolling
5 resistance tires to meet the requirements. In addition,
6 under the proposed standards up to 18 percent of some
7 vocational vehicle types are expected to use hybrid
8 technologies.

9 --o0o--

10 AIR POLLUTION SPECIALIST ATWAL: For large
11 pickups and vans, the proposal would reduce CO₂ emissions
12 by approximately 16 percent beyond phase 1. To meet the
13 standards, pickup and van manufacturers are expected to
14 use various engine and transmission improvements,
15 aerodynamic devices, weight reduction, as well as modest
16 use of gasoline hybrids.

17 --o0o--

18 AIR POLLUTION SPECIALIST ATWAL: The NPRM is
19 structured around five alternatives as shown in this
20 table. Alternative 1 is the no action alternative. It is
21 what would happen if no standards beyond phase 1 were
22 implemented. Alternative 2 would require only modest
23 improvements, essentially relying on off-the-shelf
24 technologies, much like phase 1 did.

25 The proposed alternative is alternative 3. It

1 would rely largely on accelerating use of currently
2 available technologies. Alternative 4 is identical in
3 stringency to alternative 3, but its implementation would
4 be pulled ahead by three years.

5 Alternative 5 consists of relatively ambitious
6 standards with modest penetrations of advanced
7 technologies. Under the NPRM, EPA is seeking comments
8 only on alternatives 3 and 4.

9 --o0o--

10 AIR POLLUTION SPECIALIST ATWAL: As mentioned,
11 the only difference between alternative 3 and 4 is the
12 year each would be implemented. The improved fuel
13 efficiencies resulting from either alternative would
14 decrease fuel use, which equates to fuel savings that
15 would eventually pay for the upfront cost of the required
16 technologies.

17 Alternative 4 would require additional up front
18 capital costs compared to alternative 3. But as shown
19 here, for the most part, the additional cost is
20 inconsequential, based on the time it would take to pay
21 back the upfront costs. With the exception of pickups and
22 vans requiring an extra, the payback are -- periods are
23 identical.

24 --o0o--

25 AIR POLLUTION SPECIALIST ATWAL: In addition to

1 more stringent GHG standards, the phase 2 proposal
2 includes several other improvements to the phase 1
3 program. First, the proposal would remove the blanket
4 exemption for small manufacturers that was in place for
5 phase 1 by providing a fair and equitable way to comply.

6 Additionally, the proposal closes a loophole that
7 allowed some trucks to use engines without emission
8 controls. The proposal also includes a number of other
9 significant improvements to the current test procedures
10 that better reflect a real world operation.

11 These include the addition of road grade, a new
12 Idle cycle for vocational vehicles, improvements to U.S.
13 EPA's greenhouse gas, or GEM, computer server vocation
14 model, and numerous other test cycle improvements.

15 --o0o--

16 AIR POLLUTION SPECIALIST ATWAL: Next, I will
17 discuss ARB staff's initial assessment of the federal
18 proposal.

19 --o0o--

20 AIR POLLUTION SPECIALIST ATWAL: After an initial
21 review, staff believes the proposal is an important next
22 step in reducing GHG emissions for medium- and heavy-duty
23 trucks. However, we also believe it could be
24 significantly strengthened in specific areas. Each of the
25 items listed here are discussed in further detail in the

1 next few slides.

2 --o0o--

3 AIR POLLUTION SPECIALIST ATWAL: As outlined in
4 this year's funding plan for the Air Quality Improvement
5 Program and Low Carbon Transportation Greenhouse Gas
6 Reduction Fund investments, which the Board approved last
7 some, ARB is dedicating significant incentive funds to
8 develop and deploy advanced technologies, such as battery
9 elect, fuel cell and hybrid technologies.

10 Widespread deployment of such technologies will
11 be needed for ARB to meet our climate and criteria
12 pollutant targets. The phase 2 proposal is not
13 sufficiently stringent enough to drive market development
14 of these technologies. For example, the proposal assumes
15 only a modest penetration level of hybrid technology, and
16 no significant level of electric or fuel cell technology.

17 Additionally, the proposal would eliminate the
18 phase 1 advanced technology credits that were included in
19 phase 1 to encourage the use of advanced technologies,
20 such as zero emission vehicles.

21 Overall, the proposal is bearish on battery and
22 fuel cell technology, which is contradictory to ARB's
23 position on the opportunities and potential of these
24 technologies.

25 --o0o--

1 AIR POLLUTION SPECIALIST ATWAL: Of the two
2 alternatives on which the federal agencies are requesting
3 comment, staff strongly recommends alternative 4.
4 Alternative 4 is technologically feasible and will do more
5 to deliver early emission reductions and encourage the
6 development of CO₂-reducing technologies than alternative
7 3.

8 In addition, a fully phased in program three
9 years earlier would allow for more timely action to pursue
10 NO_x reduction measures nationally. Finally, as shown in
11 more detail on the next slide, the earlier emission
12 reductions provided by alternative 4 are vital if
13 California is to achieve our GHG and petroleum targets for
14 2030 and 2040.

15 --o0o--

16 AIR POLLUTION SPECIALIST ATWAL: This chart plots
17 the cumulative California CO₂ emission benefits from both
18 alternative 3 and 4 from 2018 to 2030. As shown
19 alternative 4 would provide and additional approximate
20 four million metric tons of CO₂ benefits by 2030.

21 Alternative 4's benefits nationwide would be even
22 greater. If alternative 4 is adopted, phase 1 and 2
23 together would achieve approximately 22 percent reduction
24 in petroleum use from the medium- and heavy-duty sector in
25 2030. This reduction would be a step forward towards

1 the red bar, U.S. EPA estimates the proposal would
2 increase diesel particulate matter emissions by nearly 10
3 percent. If U.S. EPA were to require a diesel particulate
4 filter APUs, diesel particulate matter from heavy-duty
5 trucks would decrease by nearly nine percent, as shown in
6 the green bar. Again, we encourage U.S. EPA to take
7 immediate action on this issue.

8 --o0o--

9 AIR POLLUTION SPECIALIST ATWAL: California needs
10 dramatic further reductions in NOx emissions from
11 heavy-duty trucks to attain health-based standards for
12 ozone and fine particulate matter, particularly in the
13 South Coast and San Joaquin air basins.

14 In particular, federal action is needed for the
15 largest heavy-duty trucks, which currently -- which
16 frequently cross State lines and therefore cannot be
17 effectively regulated by California alone.

18 It has been argued by some stakeholders that
19 additional NOx reductions cannot be achieved without
20 causing associated GHG increases. However, the so-called
21 GHG NOx tradeoff can be avoided with an integrated systems
22 based approach. Several technologies, such as advanced
23 selective catalytic reduction systems, passive NOx
24 absorbers, stop-start technology, and many others have
25 demonstrated significant NOx reductions with no adverse

1 technologies only for box-type trailers. Such
2 technologies could likely be applied to other trailer
3 types, such as flatbeds, and possibly some tankers and
4 container chassis.

5 Finally, over the past year, an ARB funded study
6 on the potential use of aerodynamic devices on a variety
7 of vocational vehicles demonstrated that significant
8 potential exists for GHG reductions from many vocational
9 vehicle types. Thus, the proposed standards, applicable
10 to vocational vehicles, could be tightened to encourage
11 the use of these aerodynamic devices.

12 --o0o--

13 AIR POLLUTION SPECIALIST ATWAL: The final part
14 of this presentation will be a discussion of staff's
15 recommended next steps.

16 --o0o--

17 AIR POLLUTION SPECIALIST ATWAL: Staff is
18 continuing to conduct an in-depth review of the proposal
19 and will submit formal comments to strengthen the proposal
20 within the next 60 days to the federal docket.
21 Additionally, ARB plans to testify at the federal public
22 hearing, which is tentatively scheduled for next month in
23 Los Angeles.

24 --o0o--

25 AIR POLLUTION SPECIALIST ATWAL: Now and after

1 the 60-day comment period, staff will also continue to
2 engage Section 177 states and other stakeholders and will
3 continue working with U.S. EPA and NHTSA staff to improve
4 and strengthen the proposal. A final rule is expected
5 spring 2016.

6 --o0o--

7 AIR POLLUTION SPECIALIST ATWAL: California
8 remains committed to a strong and single national program,
9 which will help us achieve our GHG stated commitments, and
10 that puts the rest of the nation on a similar path to
11 reducing GHG emissions. Six to 12 months after the
12 federal rule is adopted, staff plans to return to the
13 Board with its own phase 2 proposal. Tentatively, we
14 expect this to be mid-2017. This proposal may contain
15 California-only elements, depending on the final
16 stringency of the federal program.

17 Thank you. We would be happy to address any
18 comments or questions.

19 CHAIR NICHOLS: Thanks. Did you have any closing
20 comments or shall we just go to the speakers?

21 EXECUTIVE OFFICER COREY: To the speakers.

22 CHAIR NICHOLS: Okay.

23 BOARD MEMBER BALMES: Could I just ask one dumb
24 question?

25 CHAIR NICHOLS: Yes.

1 BOARD MEMBER BALMES: So the issue of the
2 auxiliary power unit. So why would this be a way to deal
3 with the phase 2 requirements?

4 DEPUTY EXECUTIVE OFFICER AYALA: The use of the
5 APU would allow you to essentially turn off the main
6 engine. And by virtue of the fact that it's --

7 BOARD MEMBER BALMES: When you're -- in terms of
8 refrigerated unit?

9 DEPUTY EXECUTIVE OFFICER AYALA: Correct.

10 BOARD MEMBER BALMES: Yeah, okay.

11 DEPUTY EXECUTIVE OFFICER AYALA: For hoteling
12 services, typically, drivers need to have access to power
13 for.

14 BOARD MEMBER BALMES: Okay. Thanks.

15 BOARD MEMBER SPERLING: Are those APU energy uses
16 included in the overall standards in some way?

17 CHAIR NICHOLS: In the emission standard. The
18 basic emission standard.

19 DEPUTY EXECUTIVE OFFICER AYALA: Sorry. They are
20 included in the overall assessment, and that's why EPA is
21 proposing to use the APU as an alternative to generate
22 emission reductions in terms of GHG from the engine
23 itself.

24 BOARD MEMBER SPERLING: Okay.

25 CHAIR NICHOLS: It's a really -- this issue is

1 new to me, too. I've never seen this happen before. It's
2 a novel -- a novel idea, I would say. I do want to say
3 that this is a huge area of importance, obviously, in
4 terms of the overall emissions impact. It's also
5 something that has implicated our staff to a very great
6 degree. In the past, I would say we haven't necessarily
7 ignored what EPA was doing, but we've not given it the
8 level of involvement at the staff -- technical staff level
9 that we have with this one, because this is just so
10 critical to us.

11 And I think you're hearing that our staff does
12 feel that on very various different points that EPA is
13 not -- not only are they not being technology forcing, but
14 they are not even perhaps looking at current technology.
15 So we do need to be very actively engaged on this one.

16 We have several people, actually seven, who have
17 signed up to speak, so I think we should hear from them,
18 beginning with Henry Hogo from the South Coast Air Quality
19 Management District.

20 MR. HOGO: Good morning, Chair Nichols and
21 members of the Board. Henry Hogo, Assistant Deputy
22 Executive Officer at the South Coast Air Quality
23 Management District.

24 I want to first say that we are in agreement with
25 staff's initial assessment. Never consistent with what

1 we've seen in the proposal and we do need to strengthen
2 the proposed rule-making. I do want -- and we will be
3 putting some of our comments in on behalf of the South
4 Coast AQMD.

5 I do want to comment on the NOx issue. And we
6 were very disappointed that EPA did not come out with any
7 proposal for NOx -- new NOx emission standards. And we
8 want to urge EPA to do this as quickly as possible.

9 Yesterday, we participated on a call with the
10 National Association of Air Pollution Control Agencies.
11 And they will be putting in a similar set of comments,
12 very similar to staff's initial assessment. And they
13 would urge EPA to start rule-making concurrently as the
14 current proposal is being finalized. We believe this is a
15 very important timing issue that we need to have these
16 standards put in place as soon as possible to help us meet
17 air quality deadlines.

18 The second point I want to make is just to
19 reiterate what Dr. Wallerstein commented on last month
20 that we have limited resources. And if we were to deploy
21 these new technology vehicles we need to identify new
22 sources of funding. And we want to continue work with you
23 on identifying those sources of funding.

24 Thank you.

25 BOARD MEMBER SHERRIFFS: Can I ask a question?

1 CHAIR NICHOLS: Yes, a question.

2 BOARD MEMBER SHERRIFFS: I'm glad to hear South
3 Coast is being proactive in terms of addressing your
4 concerns to EPA. Is CAPCOA involved in this or other air
5 districts partnering to address comments to EPA, because
6 obviously NOx is so critical for South Coast and also the
7 San Joaquin Valley?

8 MR. HOGO: We will bring that up with CAPCOA,
9 not -- personally I'm not sure what CAPCOA's association
10 will be doing at this point.

11 CHAIR NICHOLS: Okay. Thanks.

12 Mr. Sharpe.

13 DR. SHARPE: Thank you, Chair Nichols and the
14 Board for your attention to this -- on this important
15 issue, and for the chance to share a few early reflections
16 on the U.S. phase 2 proposed rule-making. My name is Ben
17 Sharpe. And on behalf of the International Council on
18 Clean Transportation, I'd like to say that while we are
19 pleased with many aspects of the U.S. EPA and its
20 proposal, we are still examining the technical aspects to
21 determine how to strengthen the stringency of certain
22 elements of the rule, such as the four percent efficiency
23 improvement required from engines, or alternatively, to
24 accelerate the implementation deadlines of the rule to
25 2024 or 2025.

1 We've undertaken a two-year research program that
2 has produced a dozen major technical reports on truck
3 technologies, costs, and regulatory design questions for
4 phase 2. As we continue to study the proposal, it is
5 clear that the agencies have made a data driven and deeply
6 analyzed proposal for phase 2 that promotes low-carbon
7 technology across the heavy-duty vehicle fleet.

8 As a matter of their stakeholder engagement, it
9 is especially clear that this was a highly inclusive
10 process where the agencies took in the various stakeholder
11 perspectives, and they went through the great pains to
12 understanding the many technical issues at play. The ARB
13 workshop this past April was a very constructive addition
14 to this process, as were the countless productive meetings
15 between the three agencies, industry, research, and
16 environmental organizations.

17 For trailers in particular, the ARB
18 tractor-trailer greenhouse gas regulation, along with ARB
19 staff's input into the process, appears to have been a
20 leading reason why the proposed federal rule will ensure
21 that much of California's great efforts result in a
22 federal fleet of more efficient trailers that follows
23 California's pioneering work in this area.

24 The sustained efforts of the ARB team coupled
25 with the strategic involvement of ARB leadership has

1 continually nudged the federal agencies towards a
2 long-term regulatory proposal that promotes the uptake of
3 fuel-saving technologies out to 2030 that are beneficial
4 to both the trucking industry and society as a whole.

5 California's leadership so far has put
6 automobiles into a position to directly contribute to the
7 State's push to cut oil use in half by 2030. These new
8 heavy-duty standards bring trucks into play as a major
9 piece of the California climate mitigation portfolio, and
10 its bold use -- and its bold move to cut oil use in half.

11 Finally, to add an international note, it is
12 evident to us at the ICCT that the proposed rule is
13 already having an impact outside our national boundaries.
14 We have already briefed ministries and regulatory agencies
15 in India, Europe, Mexico, and China about these
16 developments. And they and others are keen to see how
17 they too can embrace similar policy to promote the same
18 efficiency technologies.

19 So with that, thanks very much for the chance to
20 provide some of our early reflections. We look forward to
21 continued engagement with the ARB staff on this very
22 important rule. So thank you very much.

23 CHAIR NICHOLS: Thank you.

24 BOARD MEMBER SPERLING: Excuse me, could I ask a
25 question?

1 CHAIR NICHOLS: Yes, fine.

2 BOARD MEMBER SPERLING: So Dr. Sharpe who is I
3 know a brilliant analyst, because he graduated from UC
4 Davis.

5 (Laughter.)

6 CHAIR NICHOLS: This is not a time for
7 commercials.

8 (Laughter.)

9 BOARD MEMBER BALMES: And he survived you?

10 (Laughter.)

11 BOARD MEMBER SPERLING: What -- ICCT is playing
12 an important role as a -- you know, in terms of the
13 analysis. Is there an ICCT position with respect to some
14 of these concerns that were raised by the staff,
15 especially the -- like the four percent, you know, engine
16 improvement, the NOx issue, and the advanced technology
17 issues?

18 DR. SHARPE: Yes. Professor Sperling, thank you
19 for the question and the UC Davis plug.

20 (Laughter.)

21 DR. SHARPE: Yeah, to your question, we're
22 certainly in the process of looking at all those areas.
23 In particular on the engine standard, we're trying to
24 determine what is the indicated standard that's being
25 promoted as part of the vehicle standard. So we're trying

1 to figure out for a typical compliance pathway what is the
2 engine going to have to do with respect to the other
3 technologies in getting the tractors to where they need to
4 be.

5 Our initial guess is that it's likely going to be
6 higher than that four percent number, but we're just
7 trying to figure out, you know, what that really means and
8 how far we can actually push on the engine side.

9 With respect to advanced technologies, I think
10 that we're definitely doing our homework, particularly on
11 the vocational side. I think some of the assumptions
12 regarding hybrid vehicle penetration deserve another look,
13 so we're definitely going to look on that area. And there
14 are definitely other technology areas throughout the rule,
15 lots of details in the 2,000 plus pages of regulation and
16 all the supporting documents. So we'll definitely have
17 our hands full the next -- next couple months to try and
18 get in our public comments, but we'll certainly be
19 addressing all those areas.

20 BOARD MEMBER SPERLING: Thank you.

21 CHAIR NICHOLS: Thank you.

22 We'll hear next from Jason Barbose, the Union of
23 Concerned Scientists.

24 MR. BARBOSE: Good morning. Jason Barbose from
25 the Union of Concerned Scientists and our organization has

1 been very involved in the development of these rules and
2 working with ARB staff. Unfortunately, those most
3 involved haven't -- aren't able to be here today, but I
4 still have some initial reflections to share with you all.

5 Our own analysis shows that trucks could be 40
6 percent more efficient in 2025 compared to 2010 levels, in
7 line with Alternative 4 that was discussed. And that
8 stands in contrast to the agency's target of a 36 percent
9 improvement by 2027. So we believe that U.S. EPA and
10 NHTSA have left technology on the table, so to speak in a
11 and number of key areas, as a result. And I think this is
12 a key point to hang onto is that under the agency's own
13 projection of rising truck traffic, greenhouse gas
14 emissions from heavy-duty trucks would not dip below
15 today's levels if the rule is finalized as proposed.

16 And so we believe there are several areas where
17 the rule should be strengthened to maximize the benefits.
18 And many of these will sound familiar, because they're
19 things that staff just mentioned to you. One is improving
20 the stringency of the engine standard. So the four
21 percent improvement that's been mentioned in tractor
22 engine efficiency by 2027, manufacturers have publicly
23 stated that they would be able to achieve an additional
24 nine to 15 percent efficiency improvement over phase 1.
25 And so if this rule is meant to raise the bar for

1 investment in R&D, it must be stronger in that regard.

2 Second is improving the performance trailers. So
3 although we're pleased to see trailers regulated for the
4 first time, the proposed rule does not surpass technology
5 that is already in the marketplace, and certified under
6 EPA's SmartWay Elite Program.

7 The third point is encouraging a shift away from
8 oil as the dominant transportation fuel. As we know
9 California quite well to achieve our long-term climate
10 goals, we need to be moving forward on advanced technology
11 vehicles. And we agree with staff that the rule
12 underincentivizes investments in the hybrid and battery
13 electric heavy-duty trucks that can help us achieve our
14 oil and climate reduction targets in 2030 and beyond.

15 And then finally, a point to make around natural
16 gas vehicles becoming more efficient. It's easier for
17 natural gas vehicles to meet the standards than diesel
18 vehicles, due to the lower carbon content of the fuel.
19 However, in the rule, diesel and natural gas trucks only
20 need to achieve the same tailpipe standard, which means
21 that while diesel engines must continue to improve,
22 natural gas engines don't.

23 And in addition, the contribution of upstream
24 emissions of natural gas is not taken into account in the
25 rule. And while there's, of course, debate about the most

1 appropriate value assigned to those, it's clearly not a
2 value of zero, and so these emissions could undermine the
3 climate benefits of the rule.

4 So with that, thank you for the opportunity to
5 speak today. We look forward to working with ARB to
6 provide the necessary data to EPA and NHTSA to strengthen
7 the standard.

8 CHAIR NICHOLS: Thank you very much. Thanks for
9 your support on this.

10 Christine McCain from EDF.

11 MS. McCAIN: Hi. Yes. My name is Christine
12 McCain with Environmental Defense Fund. I'm presenting
13 testimony here today on behalf of my colleagues who are
14 legal and regulatory experts in the climate and energy
15 program at EDF who could not be here today, but would be
16 happy to address any additional questions.

17 Thank you, Chairman Nichols and to the Board for
18 the opportunity to provide comments on the U.S. EPA's
19 phase 2 proposed rule-making for medium- and heavy-duty
20 truck and buses. EPA's phase 2 standards represent an
21 important opportunity to address the most swiftly growing
22 source of greenhouse gas emissions from the transportation
23 sector in the United States.

24 Rigorous standards can dramatically reduce
25 harmful climate pollution, save truckers money, and

1 improve our nation's energy security. Californians
2 demonstrated critical leadership in this area, recognizing
3 the importance of achieving emissions reductions from the
4 State's large trucks and buses, actions that have spurred
5 critical progress, both statewide and nationally.

6 The Board's efforts to improve trailer
7 efficiency, for example, have yielded benefits and are now
8 an important feature of EPA's proposed rule. Just in the
9 last few days, the Governor announced an initiative to
10 further strengthen environmental and economic performance
11 of California's transportation sector through an
12 integrated action plan that establishes clear targets to
13 improve freight efficiency, transition to zero emission
14 technologies, and increases in competitiveness for
15 California's freight system.

16 EPA's proposed standards are one of the single
17 most important opportunities to protect human health and
18 the environment in California, in light of the Governor's
19 Executive Order. And while EPA's proposal is an important
20 step forward, there are many key opportunities to
21 strengthen the proposal in a way that secures emissions
22 reductions that are needed to protect families and
23 communities, and that spurs technological innovation in a
24 way that truly ensures we are building the trucks of
25 tomorrow.

1 We are especially concerned that EPA's proposal
2 locks in today's technologies through 2030. If not
3 strengthened, the proposal will represent a serious missed
4 opportunity to secure these cross-cutting climate economic
5 and energy security benefits.

6 Environmental Defense Fund respectfully requests
7 your leadership in ensuring that EPA's proposed emission
8 standards are strengthened in a way that realizes the
9 Governor's executive order and protects California's
10 health and the economy.

11 In addition to other opportunities, we would like
12 to highlight two areas where its particularly important
13 that EPA's proposal is strengthened.

14 First, a strengthened engine standard. If -- it
15 is foundational that EPA strengthen the proposal -- the
16 proposed engine standard to provide for at least a 15
17 percent improvement in engine efficiency, more than three
18 times greater than what is reflected in EPA's current
19 proposal. Analyses from EPA, CARB, ICCT and others
20 demonstrate that a highly cost -- that highly cost
21 effective technologies are currently available to achieve
22 these standards, and they must be reflected in the rule to
23 drive progress.

24 Secondly, that the standards be fully implemented
25 by 2024. To ensure EPA's standards drive emissions

1 reductions, it is essential that they are fully
2 implemented by 2024. And EPA's own analysis suggests that
3 this is imminently feasible.

4 CHAIR NICHOLS: Thank you. Appreciate your being
5 here.

6 Ms. Magavern.

7 MR. MAGAVERN: Bill Magavern with Coalition for
8 Clean Air. And again, we come back to the importance of
9 the freight sector, and we need, in order to get to air
10 quality attainment especially in South Coast, San Joaquin
11 Valley, and to meet the goals that have been set by the
12 Governor for greenhouse gas emission reductions and
13 petroleum reduction, we need to get every possible gram of
14 reduction out of this rule at U.S. EPA.

15 I think your staff presentation was excellent,
16 and we agree with the need to strengthen the rule, both in
17 terms of maximizing advanced technologies and getting the
18 most CO₂ reductions out of it, also making sure that we're
19 not getting increased PM from the APUs. And strongly
20 agree with your staff and with South Coast on the need to
21 have a low NO_x standard from U.S. EPA.

22 So we will do what we can to help. I know EPA is
23 holding a hearing in Los Angeles, and we'll be speaking
24 there, and look forward to working with you to get the
25 strongest rule possible from U.S. EPA.

1 Thank you.

2 CHAIR NICHOLS: Great. Mr. Barrett.

3 MR. BARRETT: Hi. Good morning again. Will
4 Barrett with the American Lung Association of California.
5 I guess it's afternoon now.

6 I wanted to just say it was a wonderful
7 presentation. I really appreciate the analysis that went
8 into that in really laying out the areas that California
9 needs to really make the most of this program. We see the
10 phase 2 standards as a major opportunity in our fight for
11 clean air, and a healthy climate.

12 The Lung Association is committed to working with
13 you to carry forward a lot of the policies that you've
14 laid out here today.

15 As called for in the Governor's Executive Order
16 on freight just last week, we view the transition to zero
17 emission technologies as a key step. We need to cut
18 climate impacts on public health, also to reduce the
19 billions of dollars and thousands of deaths, emergency
20 room visits and hospitalizations caused by our freight
21 sector every year that is dependent on harmful fossil
22 fuels.

23 So we support your work to continue elevating the
24 electrification and advanced technologies, and really to
25 continue to lead the push for a low NOx standard by the

1 EPA. We think that that's critical just to, you know,
2 really target those interstate trucks that are coming into
3 California neighborhoods and causing pollution beyond what
4 our regulations allow. We just think that the NOx issue
5 is really critical and really want to support that as
6 well.

7 So I just wanted to again thank you for the
8 report. A lot of my colleagues have spoken before me from
9 the California Clean Air Freight Coalition have summed up
10 a lot of the points. So I'll leave it at that and thank
11 you very much for your work.

12 CHAIR NICHOLS: Okay. Great.

13 Ms. Mendoza.

14 MS. MENDOZA: Good afternoon, Chair Nichols, Vice
15 Chair Berg and the Board and staff. I just wanted to
16 note, personally I'm extremely pleased that the leadership
17 of the Board are two women from Southern California, being
18 a woman from Southern California myself. I'm very
19 excited. I've actually been emailing about it with
20 several friends and colleagues.

21 (Laughter.)

22 MS. MENDOZA: Just -- I actually -- this came up
23 in the revised version of the Board agenda, which was
24 releases earlier this week. So I personally don't have
25 any perspective yet on the EPA phase 2 GHG standard. My

1 comment today is simply a question. It's a process
2 question. We talked about how there's a 60-day comment
3 period, and the staff will be preparing a comment letter
4 to submit to EPA on or before September 11, 2015.

5 I just wondered if there was going to be another
6 opportunity before the Board for the public to hear what
7 the staff's letter is going to say. This morning, you
8 have very specifically stated it's an initial review. And
9 I wondered if there was going to be another presentation
10 before the Board? And if not, if there was going to be an
11 opportunity for the public to see the comments before they
12 are submitted to EPA or if we will see them simultaneously
13 as they are submitted to EPA?

14 So if staff or the Board could provide some
15 insight into what the public process will be between now
16 and September 11th, I'd be very appreciative.

17 And thank you very much.

18 CHAIR NICHOLS: It appears that Ms. Mendoza was
19 the last witness on this item, so we should probably bring
20 this to a discussion with the Board at this point. As
21 I've indicated, I think this is going to be occupying a
22 lot of our staff time over the coming months and year.
23 And there are going to be a variety of different forums
24 where we're going to be talking about freight and about
25 emission standards, but I'm not sure about the process

1 specifically on this rule-making. I am concerned, and I
2 do want to clarify that although we would like to see EPA
3 institute a NOx rule making, and we will be pushing them
4 to do this, this particular proposal couldn't be modified
5 to become a NOx rule-making just because we think that
6 should happen.

7 There is a limit to how far you can go into terms
8 of taking a proposal and turning it into something
9 different and better by the time it becomes final, if EPA
10 were truly to decide that they wanted to do both things at
11 once, they might even have to pull back this proposal,
12 which is not something that we're urging them to do.

13 But we do think that there's room, not just
14 within this alternative that they've taken comment on,
15 which is an important step in terms of allowing for
16 strengthening of the proposal, but even pulling things
17 from other parts of the record, I would say, that could
18 improve on what's in alternative 4, which is, as has been
19 said, is really just alternative 3 but with a different
20 time frame.

21 So it's a little bit -- a little bit complicated,
22 but I am hoping that our comments will not only reinforce
23 the importance of 4, but seek ways in which 4 itself could
24 be improved as well. But this is going to be a -- it will
25 be a long process, but it's on a time frame that the Obama

1 administration has committed to getting done. So we think
2 that this is going to have a lot of attention at the
3 highest levels of the administration. And so it's
4 something that is really worth our paying close attention
5 to.

6 As far as a process within the State of
7 California for reviewing the State's comments, I'm
8 assuming that there are other entities, including the NGOs
9 who were here today, and industry's who may be commenting
10 on this rule-making as well, and it probably would be a
11 good idea to have some informal process at least for
12 sharing our comments before they actually have to be
13 submitted. That's a question as well as a comment.

14 DEPUTY EXECUTIVE OFFICER AYALA: Yeah, I think I
15 can address that. I mean, we don't necessarily have to
16 put out the letter in draft form for stakeholders to
17 understand and to get a sense, in terms of where we're
18 going to go with this.

19 I think today we were very deliberate in our
20 presentation to pick for you and highlight the key issues.
21 You heard that EPA is going to be having public hearings,
22 that we are hoping that we will have strong participation.
23 Hopefully, Chair Nichols will be there to speak on behalf
24 of the Board.

25 Through that process, I think the stakeholders

1 are going to get a sense in terms of how we are refining
2 our thinking in terms of the comments. Obviously, as our
3 partners in the NGO community referred to, we will
4 continue to engage with them on the technical aspects of
5 the rule-making. We will continue to make ourselves
6 accessible to folks who want to come in and talk to us,
7 and discuss about the different technical aspects, what we
8 understand, what they understand. So I think, again, I
9 don't necessarily think that we have to commit to putting
10 out the draft letter for them to know where we're going.

11 CHAIR NICHOLS: It's not a rule-making.

12 DEPUTY EXECUTIVE OFFICER AYALA: Correct.

13 CHAIR NICHOLS: That's a fair point. I also
14 would say that Dr. Sherriff's comment about engaging the
15 air districts is a useful one, because they not only bring
16 in their own Band-Aids and their own technical
17 information, in any cases, but also local elected
18 officials who may also want to be involved in this effort
19 as well, which could certainly be very helpful to giving
20 EPA the backing that they need to come out with a more
21 aggressive final than what might be suggested from the
22 proposal.

23 Are there any other comments from Board members?

24 Yes, Professor Sperling, and then Mrs. Mitchell.

25 No, I called on Dan first. It's okay.

1 BOARD MEMBER SPERLING: Okay. Other than the NOx
2 issue, it seems like what would be most important and
3 relevant to California would be this advanced technology
4 question. And it's kind of an interesting one, because
5 just like with the ZEV mandate, you know, we can go our
6 own way if we wanted to. But it seems like the -- I mean,
7 the two -- so, I guess -- I mean, we obviously are
8 thinking about that in various forms as part of the
9 sustainable freight initiatives.

10 But with respect to this national standard, I
11 guess I have two small -- two questions. One is why did
12 they remove the credits for advanced technology, and -- I
13 mean, it seems like -- I mean, you know, on the face of
14 it, it doesn't make any sense. And number two, if they
15 did take advanced technology more seriously. I mean, even
16 if you said, okay, California is going to do something,
17 okay, that's 10 percent or more of the market, that by
18 itself, you know, could justify increasing their emission
19 standards.

20 So, I mean, what's their thinking on advanced
21 technology and kind of any preliminary thoughts on what we
22 might do on our own.

23 MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH CHIEF
24 CARTER: Yeah, I could try. Yeah, Dr. Sperling, in phase
25 1, they did have the advanced technology credits. In

1 phase 2, they're proposing not to, and they're seeking
2 comments on that -- on that issue.

3 I think the rationale is in EPA's view, they view
4 advanced technologies as waste-to-heat recovery, that kind
5 of a thing. And therefore, in their view, there probably
6 won't be anymore advanced technology for phase 2.

7 And so they're thinking that maybe it's not even
8 necessary, why give double credit kind of a thing. But
9 they're seeking comment on that.

10 BOARD MEMBER SPERLING: Okay. So we're -- I
11 presume and hope we are commenting that we define advanced
12 technology differently, right?

13 MOBILE SOURCE REGULATORY DEVELOPMENT BRANCH CHIEF
14 CARTER: Yes.

15 DEPUTY EXECUTIVE OFFICER AYALA: And just to add
16 to that, again, for me, it's an issue of consistency.
17 This Board has committed significant amount of investment
18 into these technologies. And again, to -- for us to have
19 a proposal that doesn't help us drive innovation, so that
20 we can reap the benefits of the investment that California
21 is making today, creates a -- frankly, an issue for us.
22 And those are some of the things that we want to highlight
23 for EPA.

24 Coming back to your second point on advanced
25 technologies as well. Again, it's this issue where you

1 know very well, Dr. Sperling, the -- in the car standards
2 we got into the situation where similarly advanced
3 technologies are not recognized. And frankly, it becomes
4 more difficult for us to push for advanced technology,
5 when the standards themselves don't necessarily credit or
6 recognize the role that advanced technology has.

7 So what I'd like to do is for us to consider very
8 carefully, to the extent that we think that it's the right
9 path, and if we have a better path, I think this is a rule
10 that is going to create the opportunity for us to make
11 sure that whatever California does, it recognizes in the
12 most adequate way what the future role of these very
13 advanced technologies are going to be, consistent with our
14 investment decisions.

15 CHAIR NICHOLS: I think you used the term missed
16 opportunities at the beginning. And that really is, I
17 think, the way to look at this.

18 BOARD MEMBER SHERRIFFS: And it's not just our
19 investment, it's industry is invested in this going down
20 this path. And we need to support that and we need to
21 continue to push.

22 DEPUTY EXECUTIVE OFFICER AYALA: Exactly.

23 CHAIR NICHOLS: I'm sorry. I did call on Mrs.
24 Mitchell. And I let a free-for-all happen, which I
25 contributed to, so --

1 BOARD MEMBER SPERLING: Can I just close on --
2 follow up on that?

3 CHAIR NICHOLS: Yes, you may finish up.

4 BOARD MEMBER SPERLING: And that is could I
5 suggest that we possibly do some kind of briefing on the
6 advanced truck technologies, but not in terms of, you
7 know, this company is doing this and that, but in a more
8 substantive, strategic kind of way? You know, the kind of
9 companies that are engaged, you know, trajectories going
10 forward kind of thing, because it's relevant, not only for
11 this, but perhaps even more -- not perhaps. It is even
12 more so for the sustainable freight initiative.

13 DEPUTY EXECUTIVE OFFICER AYALA: Right. We'd
14 certainly be more than happy to accommodate you and any
15 other Board members. And, at this point, I should also
16 acknowledge that subsequent to the release of the
17 proposal, we have had discussions with our friends at EPA
18 and NHTSA. And we are again together going to be taking a
19 second look at this issue of advanced technology, again in
20 direct response to some of the initial points that we've
21 highlighted.

22 So there is going to be an opportunity for us to
23 both at our level with you as well as collectively with
24 the agencies to take a look at exactly what you said, who
25 are the players that are bringing the technology to the

1 marketplace that could potentially provide us these
2 opportunities?

3 BOARD MEMBER BALMES: I would just request that
4 that be at a Board meeting as opposed to just Dr.
5 Sperling.

6 CHAIR NICHOLS: Okay. Thank you.
7 Ms. Mitchell.

8 BOARD MEMBER MITCHELL: Thank you, Chair Nichols.
9 What was striking to me in the staff presentation
10 are slides 29 through 31. It's really frightening that we
11 might be increasing diesel PM with these APU units. We
12 just heard in our last presentation that diesel is
13 responsible for about 60 percent of the cancer risk. And
14 so I would certainly hope that our letter would emphasize
15 the negativity of that.

16 The other thing that is, of course, on my mind,
17 as the South Coast representative, is the NOx issue.
18 You've heard me say many times that San Joaquin and South
19 Coast have to reduce their NOx by 60, 70 percent by 2023.
20 And although this phase 2 is directed to greenhouse gases,
21 we've talked here many times about the reduction of NOx
22 along with greenhouse gases with applications that can
23 accomplish reductions in both categories.

24 And I don't know that we can work that into our
25 letter, but I think it would be useful. I know the staff

1 report refers to a systems-based approach, and that may be
2 the way we present that to EPA.

3 And another way to get NOx reductions is to
4 emphasize advanced technologies. I mean we will get there
5 with those technologies. And I think California is doing
6 a lot with that, and some of our probably Section 177
7 states are working on that with us.

8 So I would want to emphasize that and try to get
9 on the same definitional path with EPA that we have here
10 with advanced technologies. I think those are really
11 important directions for our State when we work on this.

12 Henry Hogo mentioned starting a concurrent
13 rule-making on NOx. I don't know whether that is
14 something we can do. Would it be appropriate to emphasize
15 that? I think it would be very beneficial to our State to
16 be working on those.

17 So thank you.

18 CHAIR NICHOLS: It was a request to EPA to begin
19 a rule-making on NOx. And I think that is a worthwhile
20 thing to do for them to be considering, as opposed to just
21 leaving it out there.

22 Any other thoughts or comments at this point?

23 If not, this is the beginning of a long effort,
24 and we will be hearing more about it. So I think we can
25 conclude for today.

1 We do have one witness who signed up under the
2 public comment and so we'll hear from him for three
3 minutes. And then we can take our break. So we will now
4 call for the public comment period. Mr. Todd Kahl.

5 MR. KAHL: Well, thank you, Board, for all the
6 wonderful work you're doing. From what I'm hearing today
7 it's very inspiring.

8 All I'm here today is to -- for 12 months I've
9 been trying to replace my equipment. And I'm the guy that
10 fell through all the cracks of all the rules and all the
11 regulations. And having to report by December of 2013
12 would have meant that you'd have to know your financial
13 future. And after five years of bad recession for the
14 construction industry, losing my home, now I'm in a
15 position where I can't get funded.

16 I've got a VIP grant. It's only for \$15,000.
17 Trucks are 180,000. I've been trying for 12 months. When
18 I wasn't eligible, I got on this 20,000-mile work program.
19 Bottom line is, when I'm out of miles, all this Board and
20 all your people are telling me is park it and go home.

21 I can't get into a truck. So this is the face of
22 the guy that fell through all the cracks of your meetings
23 and your rules and your regulations. My kids look at me,
24 well, what's wrong, Dad? Twelve years of building my
25 company, I've just got to park it?

1 And all we're talking about is another 20
2 grand -- 15 or 20 grand. I can get approved with 30
3 percent -- 20 percent down on a new truck. But Adam
4 Shapiro can't do it, but La Ronda Bowen can't do it. Your
5 CalCap lending people can't do it. All everybody is
6 telling me is when you're done with your 5,000 miles,
7 you're out of business, and I'm a one-man show.

8 So at 51 years old, where do I go and get a job,
9 or -- have you every tried to get a loan as a sole
10 proprietor? They don't loan money to sole proprietors,
11 especially in the construction industry.

12 So if there's anyway anybody can help me, get me
13 and keep me in business and not just say, well, it's
14 Adam's problem, it's Mary's problems, it's all your other
15 people's problems. It's Todd's problem. I reported late.
16 I get it. But my financial future in 2000 -- in December
17 of 2013 was only one good year after five bad ones, and
18 I've been trying for 12 months. My credit is knocked down
19 for trying to get a truck. I can't do it.

20 I've been approved for 20 percent down. And
21 because I reported late, I've offered to throw in another
22 truck. So it's all this bureaucratic stuff is not really
23 about getting dirty trucks off the road, because I want to
24 drive my two 25 year old trucks until you arrest me or
25 help me get another truck.

1 So I just don't know where to go. I'm at my
2 wits' end. I've lost \$1,000 worth of wages today to be
3 here. I'm about ready to crack. My blood pressure is
4 through the roof, and there's hundreds of millions of
5 dollars going through this organization, and I need 20
6 grand more. Thank you for your time.

7 CHAIR NICHOLS: Well, thank you for coming here
8 today, and appreciate the fact that you have been plight,
9 considering I know the pressure that you're under.

10 MR. KAHL: I've left you 10 messages and you've
11 never called be back. Several -- several messages.

12 CHAIR NICHOLS: I do understand that you have had
13 some communications with ARB staff in the past. I don't
14 want to turn this into a who said what to whom.

15 MR. KAHL: I know. Neither do I. I mean you
16 guys -- what I've heard today in the last 20 minutes about
17 the new technology, we're in -- we're in a situation. The
18 governor being in Rome the other day, we are in extinction
19 if we don't fix it. But I've worked 12 years to feed my
20 kids and pay my mortgage. And because I reported six
21 months late, I have to go out of business when there's 10
22 other trucks right beside me that got 40, 50, 60, 70
23 thousand dollars worth of grant money, and I'm different
24 because I'm only going to get 15.

25 CHAIR NICHOLS: Can I just ask you something?

1 MR. KAHL: Yes.

2 CHAIR NICHOLS: Are you willing to stay for a few
3 minutes and meet with staff after the meeting, so we can
4 then ask for a report from staff on the situation.

5 MR. KAHL: Absolutely.

6 CHAIR NICHOLS: All right. Well, then let's ask
7 for that then, if you would. We're going to adjourn
8 right now. We're going to come back after we do our
9 executive session for just a public -- recess of the
10 meeting. But between now and then, if you have an
11 opportunity, I'll ask Ms. Bowen to meet and anyone else
12 from the technical staff who's able to also join. And
13 then we'll see if there's -- if there's nothing more to be
14 done, perhaps that's the answer, but hopefully we can at
15 least find out.

16 MR. KAHL: That's what La Ronda has been ending
17 at that, so that's why I'm here.

18 CHAIR NICHOLS: Thank you very much.

19 MR. KAHL: Thank you for your time.

20 CHAIR NICHOLS: Okay. We will be in recess then
21 for executive session, and come back in about an hour or
22 less to recess the meeting.

23 (Off the record: 12:24 PM)

24 (Thereupon the meeting recessed

25 Into closed session.)

1 (On record: 1:12 PM)

2 VICE CHAIR BERG: Good afternoon. This is Vice
3 Chair Sandy Berg. And I will be closing the meeting
4 today. First of all, we'd like to reconvene after our
5 closed session. Please come to order. The meeting of the
6 California Air Resources Board is now back into session.
7 I'd like to ask our Chief Counsel Ellen Peter to summarize
8 the closed session

9 CHIEF COUNSEL PETER: Thank you Vice Chair. We
10 had a discussion of litigation, and no action was taken.

11 VICE CHAIR BERG: Thank you very much. And I
12 think we had one other report back on the comment that was
13 made in the public comment period. La Ronda Bowen would
14 you give us a status on that please.

15 OMBUDSMAN BOWEN: Yes, we worked out with the
16 small business owner that we would be to do a settlement
17 agreement. He is going to work with Tony Brasil's group
18 and we'll call in the -- Scott Roland or others that are
19 doing funding issues. We did not commit to giving him any
20 additional funding. However, we can give him additional
21 time and establish a settlement agreement that allows
22 him -- or requires him to save a certain amount of money
23 toward the purchase of his newer truck. And in that
24 settlement agreement, we have the ability to give him
25 more -- instead of being limited to 20,000 miles on one

1 truck and five on the other to extend the mileage.

2 If there is additional funding available for a
3 hybrid truck or some other kind of truck that would work
4 for him, that will all be discussed with him. But the
5 customer was willing to look at his situation differently
6 and work with the staff to come up with a resolution. And
7 we can report out to the Board at a future meeting when
8 that is complete.

9 VICE CHAIR BERG: Thank you very much for taking
10 care of that. We know that the truck and bus has been
11 very challenging for many of our small truckers and really
12 appreciate your continuing effort in working with people.
13 So thank you for doing that.

14 OMBUDSMAN BOWEN: Erik White did too.

15 VICE CHAIR BERG: So with no other agenda item in
16 front of us, can I have a motion to adjourn?

17 BOARD MEMBER DE LA TORRE: So moved.

18 VICE CHAIR BERG: A second please?

19 BOARD MEMBER BALMES: Second.

20 VICE CHAIR BERG: All in favor?

21 Have a great afternoon. Thank you.

22 Oh, and Happy August. We'll see you in September
23 down south.

24 (Thereupon the Air Resources Board meeting
25 adjourned at 1:14 PM)

1 C E R T I F I C A T E O F R E P O R T E R

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, do hereby certify:

4 That I am a disinterested person herein; that the
5 foregoing California Air Resources Board meeting was
6 reported in shorthand by me, James F. Peters, a Certified
7 Shorthand Reporter of the State of California, and was
8 thereafter transcribed, under my direction, by
9 computer-assisted transcription;

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

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 4th day of August, 2015.

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22 JAMES F. PETERS, CSR
23 Certified Shorthand Reporter
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