



Technical Working Group

April 20, 2017

10:00 a.m. – 12 noon

SCAG Downtown Office – Board Room

818 West 7th Street, 12th Floor

Los Angeles 90017

(How to Participate in Meeting on Next Page)

AGENDA

Receive and File

- | | |
|---------------------------------|---------------|
| 1. 2016 South Coast AQMP Update | Rongsheng Luo |
|---------------------------------|---------------|

Information Items

- | | | |
|---|------------------|-------------|
| 1. 2016 RTP/SCS Amendments #1 and #2 and PEIR Addendums | Tran/Ok | |
| 2. SB 743 Update – Recap of April 3 Regional Stakeholders Workshop | Ping Chang | Attachments |
| 3. ARB 2017 Climate Change Scoping Plan Update | Ping Chang | Attachment |
| 4. SCAG target recommendation for 2020 RTP/SCS, and Additional Strategies for consideration | Frank Wen | Attachment |
| 5. SB1 Update | Warren Whiteaker | Attachment |



How to Participate

In Person

SCAG Downtown Office Board Room

818 W. 7th Street, 12th Floor
Los Angeles 90017
213-236-1800

Videoconference

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Web Meeting

<http://scag.adobeconnect.com/twg91814/>

Teleconference Number: 1-800-832-0736

Meeting Room# 7334636

Teleconference

Number: 1-800-832-0736 – Participant Code: 7334636



Technical Working Group

Receive and File



Technical Working Group

February 16, 2017

Meeting Summary

The following is a summary of discussions at the Technical Working Group on February 16, 2017.

Information Items

1. Safety Performance Management Measures Final Rule

Courtney Aguirre reported on the Safety Performance Management Measures Final Rule. Ms. Aguirre stated the Federal Highway Administration issued a Safety Performance Final Rule to establish performance measures for state departments of transportation to carry out the Highway Safety Improvement Program. The rule calls for state DOTs to work with MPOs to establish annual statewide targets to help reduce the number of serious injuries and fatalities related to transportation. Further, the rule establishes five safety performance measures based on a five year rolling average. SCAG has until February 27 1018 to establish targets. Staff will return to the working group with updates as the process continues.

2. Amendments #1 and #2 to the 2016 RTP/SCS

Daniel Tran provided an update on Amendments No. 1 and No. 2 to the 2016-2040 RTP/SCS. Mr. Tran noted the public comment period for Amendment No. 1 has closed and SCAG staff is currently responding to comments and will update the amendment accordingly. It is anticipated Amendment No. 1 will be brought before the Transportation Committee in March 2017 for their recommendation to submit to the Regional Council for approval. Regional Council approval will be sought in April 2017. Federal approval is anticipated by June 2017. Mr. Trans updated the progress of Amendment No. 2 and stated staff has been in contact with county transportation commission regarding the development of the Amendment. It is anticipated Amendment No. 2 it will be presented to the Transportation Committee April 2017 followed by a 30-day public comment period. Following the public comment period it will go to the Regional Council for approval. Federal approval is anticipated summer 2017.

3. ARB 2030 Target Scoping Plan Update

Ping Chang updated the group on the ARB 2030 Target Scoping Plan. Mr. Chang noted the scoping plan is intended to meet 2030 targets per SB 32 to reach 40% below 1990 level. As well, to chart a path to meet the 2050 goal of 80% below 1990 level.

Additionally, on January 5, 2017 SCAG held a Joint Policy Committee meeting with executive officers from Air Resources Board. Further, on January 20, 2017, ARB released a draft of the plan for public comments which are due March 6, 2017. It was noted the draft takes an economic sector based approach. An announcement is anticipated April 2017 although it is likely that date may be extended.

4. Statewide Housing Assessment 2025

Ma'Ayn Johnson updated the group on Statewide Housing Assessment 2025 released by the state Department of Housing and Community Development. Ms. Johnson noted it was released in January for public comments which goes through March 4, 2017. Further, SCAG staff is preparing a draft letter to be submitted during the comment period indicating there is a need for further elaboration. Ms. Johnson noted the Assessment focuses on the statewide housing crisis at both the State and local levels.

5. 2017 Local Profiles Update

Michael Gainor reported on the 2017 Local Profiles Report. Mr. Gainor noted the reports are provided to each jurisdiction in the SCAG region. Further, there will be 50 data points in each report which represents an increase of eight new items. Data points will be added for population density. Two new variables will be included under housing data. Also the number of vehicles per household will be included. Additionally, Active Transportation will be aggregated at the county level. Mr. Gainor stated a draft of the profiles will be released in approximately one week. Mr. Gainor encouraged members to review the profile submitted for their jurisdictions.

6. SB 743 Update

Ping Chang provided an update on SB 743. Mr. Chang noted the OPR staff is in the process of initiating rulemaking. Further, the Statewide MPO Working Group has been meeting and has identified case studies in the SCAG region. Additionally there will be a meeting of the group at SCAG April 4, 2017.

7. 2020 RTP/SCS Preparation: Related Tasks, Timeline, and Issues

Frank Wen updated the group on preparation, timeline and issues for the upcoming 2020 RTP/SCS. Mr. Wen noted SCAG has assembled an internal team to link coordination as the plan develops. Kimberly Clark continued the discussion with an update on the Subregional SCS Framework and Guidelines. This effort began August 2016 and has been brought before the TWG regularly. Ms. Clark indicated the updated version reflects input received in previous TWG meetings. Ms. Clark reviewed the current updates.

DATE: April 6, 2017

TO: Regional Council (RC)
Community, Economic and Human Development Committee (CEHD)
Energy and Environment Committee (EEC)
Transportation Committee (TC)

FROM: Hasan Ikhmeta, Executive Director, (213) 236-1944, ikhmeta@scag.ca.gov

SUBJECT: Update Regarding 2016 South Coast Air Quality Management Plan (AQMP) Adoption

EXECUTIVE DIRECTOR'S APPROVAL: 

RECOMMENDED ACTION FOR RC:
For Information Only – No Action Required.

RECOMMENDED ACTION FOR CEHD, EEC and TC:
Receive and File.

EXECUTIVE SUMMARY:

Jointly prepared by the South Coast Air Quality Management District (SCAQMD), the lead agency, the California Air Resources Board (ARB), and SCAG, the 2016 South Coast AQMP was adopted by the SCAQMD Governing Board on March 3, 2017. This staff report presents an overview and status update of the 2016 South Coast AQMP.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 1: Improve Regional Decision Making by Providing Leadership and Consensus Building on Key Plans and Policies; Objective a) Create and facilitate a collaborative and cooperative environment to produce forward thinking regional plans.

BACKGROUND:

Pursuant to the Federal Clean Air Act (CAA), the 2016 South Coast AQMP has been developed to include new state implementation plans (SIPs) and SIP updates to meet the following five health-based national ambient air quality standards in the South Coast Air Basin which includes Orange County and non-desert portions of Los Angeles, Riverside, and San Bernardino counties:

- 8-hour Ozone (75 parts per billion or ppb) by 2031
- Annual PM_{2.5} (12 µg/m³) by 2025
- 24-hour PM_{2.5} (35 µg/m³) by 2019
- 8-hour Ozone (80 ppb) by 2023 (updated from the 2007 and 2012 South Coast AQMPs)
- 1-hour Ozone (120 ppb) by 2022 (updated from the 2012 South Coast AQMP)

As required by state law, the 2016 AQMP was jointly prepared by three responsible agencies to integrate their respective comprehensive control strategies and measures: the South Coast Air Quality Management District (SCAQMD), the lead agency; the California Air Resources Board (ARB); and SCAG.



REPORT

The 2016 AQMP is a regional blueprint for achieving the federal air quality standards and healthful air in the South Coast region. To maximizing air quality benefits and minimize adverse impacts to the regional economy, the development of the 2016 AQMP has been guided by the following policy objectives:

- Eliminate reliance on future technologies (CAA §182(e)(5)) measures to the maximum extent feasible
- Calculate and take credit for co-benefits from other planning efforts
- Develop a strategy with fair-share emission reductions at the federal, state, and local levels
- Invest in strategies and technologies meeting multiple objectives regarding air quality , climate change, air toxics exposure, energy, and transportation
- Identify and secure significant funding for incentives to implement early deployment and commercialization of zero and near-zero technologies
- Enhance the socioeconomic analysis and pursue the most efficient and cost-effective path to achieve multi-pollutant and multi-deadline targets
- Prioritize enforceable regulatory measures as well as non-regulatory, innovative and “win-win” approaches for emission reductions

Consistent with these policy objectives, the overall control strategy in the 2016 South Coast AQMP is an integral approach relying on fair-share emission reductions from federal, state and local levels. The integrated control strategy includes traditional regulatory measures, incentive-based program, co-benefits from existing greenhouse gas reduction programs, further deployment of cleaner technologies, and reductions from mobile sources under state and federal jurisdictions.

The incentive programs are needed because of the significant emission reduction needed to attain the federal air quality standards in the near future. The purpose of the incentive programs is to advance deployment of new cleaner technologies at a pace that is not feasible through regulation alone. The proposed approach to achieve the incentive-based emission reductions is predicated on securing the amount of funding needed to achieve the emission reductions by the statutory deadlines. To obtain the estimated \$11-14 billion in total funding needed over the next seven to fifteen year, an action plan has been developed and adopted as part of the 2016 AQMP to identify the necessary actions by the SCAQMD, the region, the state, the federal government, and other partnerships to ensure the requisite levels of funding are secured as early as possible and sustained through 2031.

The 2016 AQMP also includes a new ozone SIP for the Coachella Valley ozone nonattainment area; an assessment of the region’s status with respect to a new more stringent ozone standard for the South Coast Air Basin; an examination of the on-going regional efforts to reduce health risk from toxic air contaminants, co-benefits from reducing criteria pollutants, and potential future actions; and a description of current and projected energy demand and supply issues in the South Coast region, and the relationship between air quality improvement and greenhouse gas mitigation goals

The Final 2016 AQMP demonstrates attainment of the applicable national ambient air quality standards in the South Coast Air Basin and Coachella Valley by their respective statutory deadlines through adoption of all feasible measures. The total costs of implementing the 2016 AQMP are estimated to be about \$16 billion with a job impact ranging from 9,000 jobs forgone to 29,000 jobs gained annually. However, the implementation of the 2016 AQMP is expected to yield much greater public health benefits, estimated to be about \$173 billion primarily by avoiding an annual average of 1,600 premature deaths.

REPORT

The 2016 AQMP is a result of three-year public process by multi-agencies with extensive stakeholder outreach and participation. The public process included the preparation of ten policy white papers, a control strategy symposium, and over 200 meetings. The Draft 2016 AQMP was released for public comment and review on June 30, 2016. Six regional workshops were held in July 2016 to discuss the draft plan and solicit public input. Based on public comments received, a Revised Draft 2016 AQMP was subsequently released for public comment and review on September 21, 2016. Four regional public hearings were also held in November 2016 where additional public input and comments were solicited. The Draft Final 2016 AQMP was released on December 2, 2016 that included additional revisions to the Revised Draft Plan based on the additional comments received. On February 2, 2017, the SCAQMD Governing Board held a public hearing on the Draft Final 2016 AQMP. Approximately 500 people attended the hearing and 126 speakers testified: 47 speakers supported the Draft Final plan with no additional amendments while 79 speakers supported a strong plan with more stringent regulation. On March 3, 2017, the Final 2016 AQMP was adopted by the SCAQMD Governing Board with several amendments to the Draft Final Plan to strengthen some proposed control measures and prioritize heavy-duty vehicle incentive funding.

On March 23, 2017, as part of its meeting held in Riverside, the ARB Board approved the 2016 AQMP with several amendments to require implementation progress reporting, to strengthen some ports' control measures, and to develop concepts for indirect source rules to control pollution from large freight facilities including ports, railyards, warehouses, and distribution centers. The approved 2016 AQMP is expected to be submitted shortly to U.S. Environmental Protection Agency (EPA) for approval. Once federally approved, the 2016 AQMP becomes the legally enforceable plan for meeting these air quality standards by their respective statutory deadlines.

SCAG's role in the 2016 AQMP process includes providing socio-economic growth forecast and travel activity projection as well as writing Appendix IV-C of the 2016 AQMP. The Appendix IV-C consists of an overview of the SCAG's 2016 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), a list of committed transportation control measures (TCMs), and two Clean Air Act required analyses. On December 3, 2015, the Regional Council approved transmittal of the Draft Appendix IV-C Regional Transportation Plan/Sustainable Communities Strategy and Transportation Control Measures to the SCAQMD for inclusion in the Draft 2016 AQMP for public review. As recommended by the EEC, the Regional Council approved the final Appendix IV-C for inclusion in the Final 2016 AQMP on February 2, 2017. The Final Appendix IV-C has been subsequently transmitted to the SCAQMD.

The 2016 AQMP includes an important component relative to regional transportation planning and federal transportation conformity requirements, the ozone and PM_{2.5} motor vehicle emissions budgets, which set ozone and PM_{2.5} upper limits which on-road transportation activities are permitted to emit. The emission budgets established as part of the 2016 AQMP process and adopted in the final SIPs will become the functioning emission budgets for transportation conformity for the South Coast region for future RTP/Federal Improvement Program (FTIP) and RTP/FTIP amendments.

In addition, there are five measures in the Final 2016 AQMP to control mobile source emissions from indirect sources including commercial marine ports, rail yards & intermodal facilities, warehouse distribution centers, commercial airports, as well as new development & redevelopment projects. According to the 12-month public process laid out in the Final Plan, a working group made up of stakeholders will be convened in April 2017 for each of the five control measures. The purpose of these working groups is to

REPORT

provide input and comments and help identify actions including regulatory approach or other enforceable mechanisms that will potentially result in the needed emission reductions. Staff will actively participate in these working groups and will report back to the RC and/or Policy Committees as appropriate.

FISCAL IMPACT:

Work associated with this item is included in the current FY16-17 Overall Work Program (025.SCG0164.01: Air Quality Planning and Conformity).

ATTACHMENT/S:

Executive Summary of Final 2016 South Coast Air Quality Management Plan

Executive Summary



The 2016 Air Quality Management Plan is the regional blueprint for achieving air quality standards in the South Coast Air Basin, an area that includes Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties. Through a combination of regulatory and incentive approaches via partnerships at all levels of government, the elusive goal of healthy air is within reach.

In This Chapter

- Overview ES-1
Purpose of the 2016 AQMP
- Air Quality Standards ES-1
Standards addressed in the 2016 AQMP
- Challenges ES-2
Key hurdles to meeting the standards
- Plan Objectives ES-4
Goals guiding the 2016 AQMP development
- Control Strategies ES-6
Control approaches and measures

- **Regulatory Measures** ES-8
Existing and proposed regulatory actions
- **Incentive Funding** ES-9
Expanding and funding incentive programs
- **Attainment Demonstration** ES-10
Future air quality projections
- **Clean Air Act Requirements** ES-11
Satisfying the required elements of an AQMP
- **Collaboration and Outreach** ES-12
Integration and coordination with other agencies

Overview

The 2016 Air Quality Management Plan (2016 AQMP or Plan) is a regional blueprint for achieving the federal air quality standards and healthful air. The South Coast Air Quality Management District (SCAQMD or District) is responsible for clean air in the South Coast Air Basin (SCAB or Basin), an area that includes Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties. While air quality has dramatically improved over the years, the Basin still exceeds federal public health standards for both ozone and particulate matter (PM) and experiences some of the worst air pollution in the nation. The 2016 AQMP represents a thorough analysis of existing and potential regulatory control options, includes available, proven, and cost-effective strategies, and seeks to achieve multiple goals in partnership with other entities promoting reductions in greenhouse gases and toxic risk, as well as efficiencies in energy use, transportation, and goods movement. The Plan recognizes the critical importance of working with other agencies to develop funding and incentives that encourage the accelerated transition to cleaner vehicles, and the modernization of buildings and industrial facilities to cleaner technologies in a manner that benefits not only air quality, but also local businesses and the regional economy. These “win-win” scenarios are key to implementation of this Plan with broad support from a wide range of stakeholders.

Air Quality Standards

The federal Clean Air Act (CAA) requires areas not attaining the national ambient air quality standards (NAAQS) to develop and implement an emission reduction strategy that will bring the area into attainment in a timely manner. The region is given a classification that describes the degree of nonattainment. This classification dictates specific planning requirements under the CAA, including the time provided to attain the standard. The CAA requires attainment of the standard to be achieved as “expeditiously as practicable,” but no later than the attainment years listed in Table ES-1 below. It should be noted that the years listed in Table ES-1 are the latest calendar year to achieve the requisite emission reductions, and not the statutory attainment date. For example, the attainment date for the 2008 8-hour ozone standard in an extreme non-attainment attainment area is July 20, 2032. But attainment must be demonstrated with projected emissions reductions in the prior year (2031).

Five NAAQS are being evaluated in this integrated Plan. Three standards – the 8-hour ozone NAAQS established in 2008 (2008 8-hour Ozone), the annual PM_{2.5} NAAQS established in 2012 (2012 annual PM_{2.5}), and the 24-hour PM_{2.5} NAAQS established in 2006 (2006 24-hour PM_{2.5}) are required to have new attainment demonstration in this Plan. However, given the overlaps in emissions and control strategies for other yet-to-be-attained NAAQS, this integrated Plan will also include revisions to the attainment demonstrations for two other standards: the 1997 8-hour ozone NAAQS and the 1979 1-hour ozone NAAQS. While the 2012 AQMP focused on attainment of the 2006 24-hour PM_{2.5} standard, it has since been determined, primarily due to unexpected drought conditions, that it was impracticable to meet the standard by the original attainment year. Since that time, U.S. Environmental Protection Agency (U.S. EPA) has approved a re-classification to “serious” nonattainment for the 24-hour PM_{2.5} standard, which requires a new attainment demonstration with a new attainment deadline.

TABLE ES-1

Standard	Concentration	Classification	Latest Attainment Year
2008 8-hour Ozone	75 ppb	Extreme	2031
2012 Annual PM2.5	12 µg/m ³	Moderate Serious	2021 2025
2006 24-hour PM2.5	35 µg/m ³	Serious	2019
1997 8-hour Ozone	80 ppb	Extreme	2023
1979 1-hour Ozone	120 ppb	Extreme	2022

Challenges

The 2016 AQMP includes both stationary and mobile source strategies to ensure that rapidly approaching attainment deadlines are met, that public health is protected to the maximum extent feasible, and that the region is not faced with burdensome sanctions if the Plan is not approved or if the NAAQS are not met on time. As with every AQMP, a comprehensive analysis of emissions, meteorology, atmospheric chemistry, regional growth projections, and the impact of existing control measures is updated with the latest data and methods. The most significant air quality challenge in the Basin is to reduce nitrogen oxide (NOx) emissions sufficiently to meet the upcoming ozone standard deadlines. Based on the inventory and modeling results, 522 tons per day (tpd) of total Basin NOx 2012 emissions are projected to drop to 255 tpd and 214 tpd in the 8-hour ozone attainment years of 2023 and 2031 respectively, due to continued implementation of already adopted regulatory actions (“baseline emissions”). The analysis suggests that total Basin emissions of NOx must be reduced to approximately 141 tpd in 2023 and 96 tpd in 2031 to attain the 8-hour ozone standards. This represents an additional 45 percent reduction in NOx in 2023, and an additional 55 percent NOx reduction beyond 2031 levels. The following chart presents the future projections of NOx emissions, the reductions from the proposed control strategy and the levels necessary to attain the standards. The chart also illustrates how the strategy to meet the 8-hour ozone standard in 2023 should lead to sufficient NOx emission reductions to attain the 1-hour ozone standard by 2022. Since NOx emissions also lead to the formation of PM2.5, the NOx reductions needed to meet the ozone standards will likewise lead to improvement of PM2.5 levels and attainment of PM2.5 standards.

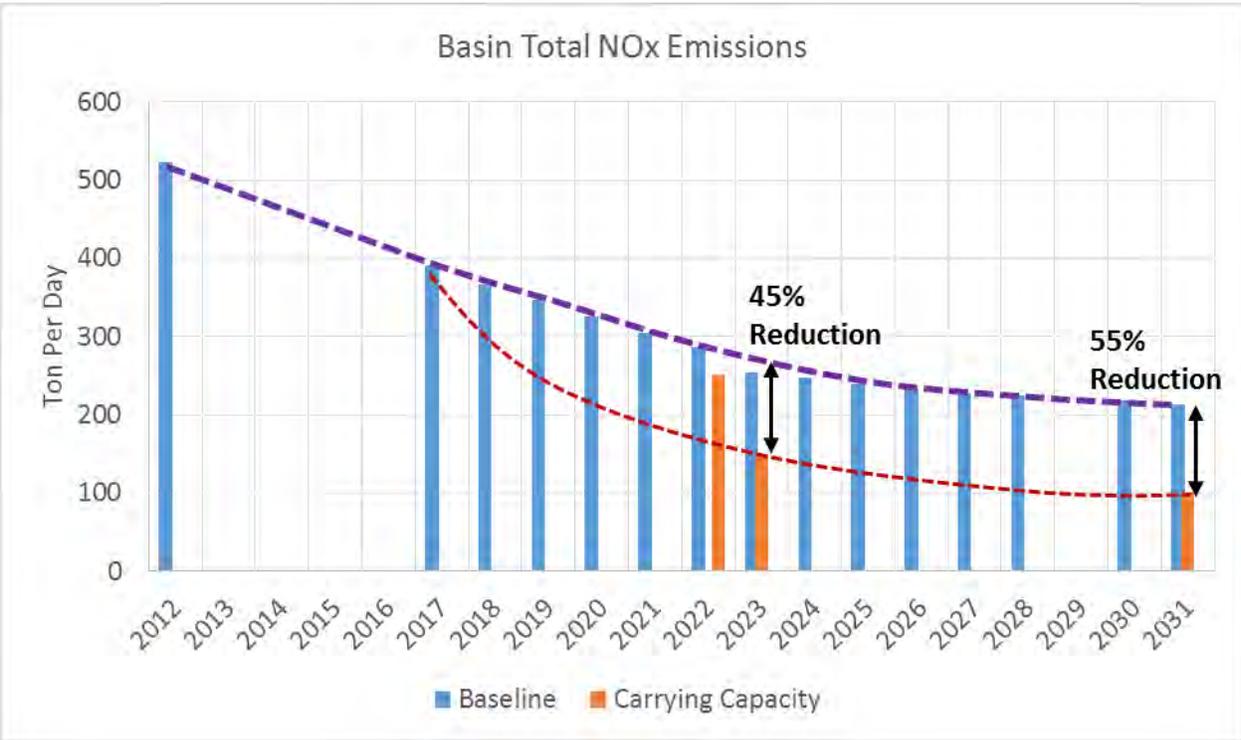


FIGURE ES-1. BASIN TOTAL NOX EMISSIONS (2012–2031)

Plan Objectives

To ensure air quality goals will be met while maximizing benefits and minimizing adverse impacts to the regional economy, the following policy objectives have guided the development of the 2016 AQMP:

Eliminate reliance on future technologies (CAA §182(e)(5)) measures to the maximum extent feasible.

As an “extreme” nonattainment area for ozone, the CAA allows the Basin to rely on unspecified future technological advancements to show future attainment of air quality standards. Given the fast approaching deadlines – as early as 2022 and 2023, and given that the majority of the zero and near-zero technologies needed for attainment have already or will soon be commercially available, it is now possible to specify the technologies and the implementation pathways to attainment. Some CAA §182(e)(5) flexibility may still be needed for Plan approval by U.S. EPA given the need for continued technological and cost improvements and new funding and incentive programs.

Calculate and take credit for co-benefits from other planning efforts. Other local, state and federal efforts addressing GHG reductions, energy efficiency, transportation, and goods movement have and will continue to lead to air quality improvements. Where possible, this Plan seeks to quantify and include emission reductions from these parallel and complementary programs.

2016 AQMP Policy Objectives



Eliminate reliance on future technologies (CAA §182(e)(5)) measures to the maximum extent possible by providing specific control measures which have quantifiable emission reductions and associated costs.

Calculate and take credit for co-benefits from other planning efforts (e.g., GHG reduction targets, energy efficiency, and transportation).

Develop a strategy with fair-share emission reductions at the federal, state, and local levels.

Develop a strategy with fair-share emission reductions at the federal, state, and local levels. SCAQMD will make full use of its legal authorities to seek a cleaner air future. But with limitation on SCAQMD authority over the mobile sources that contribute the most to our air quality problems, attainment cannot be achieved without State and federal actions. Proposed measures include a new ultra-low NOx federal engine emission standard for heavy duty trucks and other State mobile source regulations. In some cases, additional authority provided to the State or SCAQMD for sources traditionally under the jurisdiction of the federal government (e.g., locomotives, aircraft, and ships) should be considered.

Invest in strategies and technologies meeting multiple objectives regarding air quality, climate change, air toxics exposure, energy, and transportation. With multiple environmental and societal objectives, targets, deadlines, and strategies underway, it is critical that planning efforts are integrated at all levels and across all agencies. To this end, when progress towards multiple goals is possible, those strategies should be designed to maximize the co-benefits and then prioritized for implementation and investment. The Plan embraces strategies that reduce toxic risk impacting local neighborhoods and disadvantaged communities adjacent to goods movement and transportation corridors.

Identify and secure significant funding for incentives to implement early deployment and commercialization of zero and near-zero technologies. The 2016 AQMP control strategy strongly relies on a transition to zero and near-zero emission technologies in the mobile source sector, including automobiles, transit buses, medium- and heavy-duty trucks, and off-road applications. The plan focuses on existing commercialized technologies and energy sources including their supporting infrastructure, along with newer technologies that are nearing commercialization based on recent demonstration programs and limited test markets. Prioritizing and expanding funding in Environmental Justice (EJ) areas will be sought.



Invest in strategies and technologies meeting multiple objectives regarding air quality, climate change, air toxics exposure, energy, and transportation. Prioritize strategies that meet fast approaching deadlines and assist EJ impacted areas.

Seek and identify significant secured funding for incentives to implement early deployment and commercialization of known zero and near-zero technologies, particularly in the mobile source sector.

Enhance the socioeconomic analysis and select the most efficient and cost-effective path to achieve multi-pollutant and multi-deadline targets.

Prioritize non-regulatory, innovative and “win-win” approaches for emission reductions. As shown in the past, air quality standards can be achieved while maintaining a healthy economy.

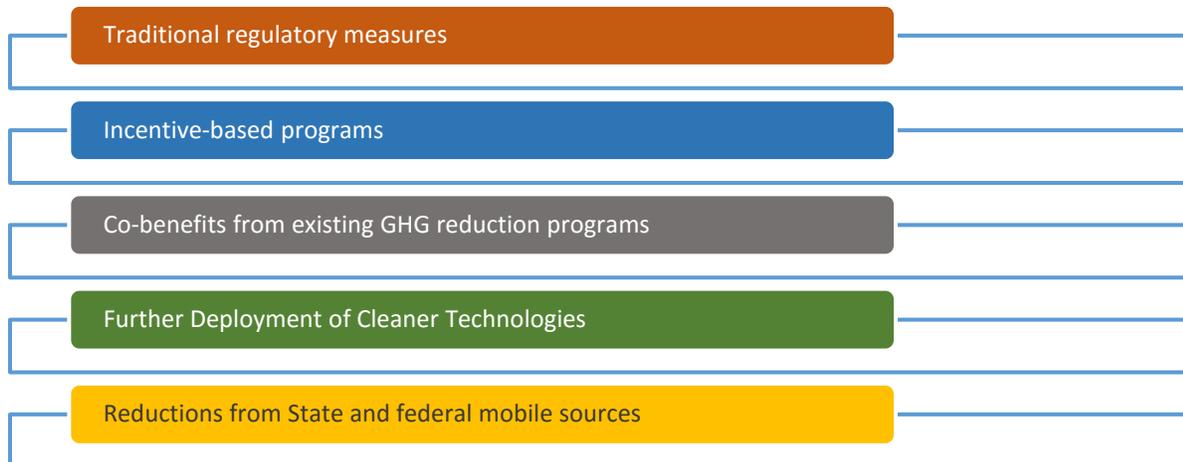
Enhance the socioeconomic analysis and pursue the most efficient and cost-effective path to achieve multi-pollutant and multi-deadline targets. Integrated planning across multiple pollutants and multiple deadlines allows for efficient and cost-effective control strategy design. An enhanced socioeconomic impact analysis also quantifies the impacts of the strategy on health, jobs, businesses and the local economy.

Prioritize enforceable regulatory measures as well as non-regulatory, innovative and “win-win” approaches for emission reductions. As shown in the past, significant air quality improvements can be achieved while maintaining a healthy economy. The 2016 AQMP calls for a priority on maximizing emission reductions utilizing zero-emission technologies wherever feasible and cost-effective, near-zero emission technologies in other applications, and innovative “win-win” approaches for emission reductions when new regulations are not yet practical. A full life-cycle in-Basin emissions analysis will be considered in determining the full emissions profile and cost-effectiveness of these technologies. In designing the control strategy needed to achieve the ozone and PM_{2.5} air quality standards, there will be special consideration of strategies that can contribute to the economic vitality of the region and the needs of both the public and local small businesses. The Plan will prioritize distribution of incentive funding to maximize emissions reductions in the most disadvantaged communities in the region.

Control Strategies

The overall control strategy is an integral approach relying on fair-share emission reductions from federal, state and local levels. The 2016 AQMP is composed of stationary and mobile source emission reductions from traditional regulatory control measures, incentive-based programs, co-benefits from climate programs, mobile source strategies and reductions from federal sources, which include aircraft, locomotives and ocean-going vessels. These strategies are to be implemented in partnership with the California Air Resources Board (CARB) and U.S. EPA. In addition, the Southern California Association of Governments (SCAG) recently approved their 2016 Regional Transportation Plan/Sustainable Communities Strategies (RTP/SCS)¹ that include transportation programs, measures, and strategies generally designed to reduce vehicle miles traveled (VMT), which are contained within baseline emissions inventory in the Plan.

¹ <http://scagrtpscscs.net/Pages/FINAL2016RTPSCS.aspx>.



Mobile sources contributed about 88 percent of the region’s total NOx emissions in 2012. Since the SCAQMD has limited authority to regulate mobile sources, staff worked closely with CARB and U.S. EPA, which have primary authority over mobile sources, to ensure mobile sources perform their fair share of pollution reduction responsibilities. In May 2016, CARB released an updated Mobile Source Strategy² and a Proposed State SIP Strategy³ supporting multiple planning efforts to meet air quality standards, greenhouse gas (GHG) emission reduction targets, petroleum consumption reduction, and reduced health risks from transportation emissions over the next 15 years. The integrated approach allows consideration of the multi-pollutant co-benefits, and identification of interaction between control measures to guide policy and maximize program effectiveness. Specifically, the mobile source strategy outlines a coordinated suite of measure concepts for on-road light- and heavy-duty vehicles, off-road equipment, as well as federal and international sources. The strategy also provides regulatory and programmatic mechanisms to implement the measures and estimated NOx reductions for the South Coast Air Basin. A subset of the statewide strategy is a mobile source strategy for the South Coast SIP. The reductions from these mobile source measures are included in the attainment demonstration and are critical for meeting the standards. Without significant reductions from the mobile source sector demonstration of attainment is not possible.

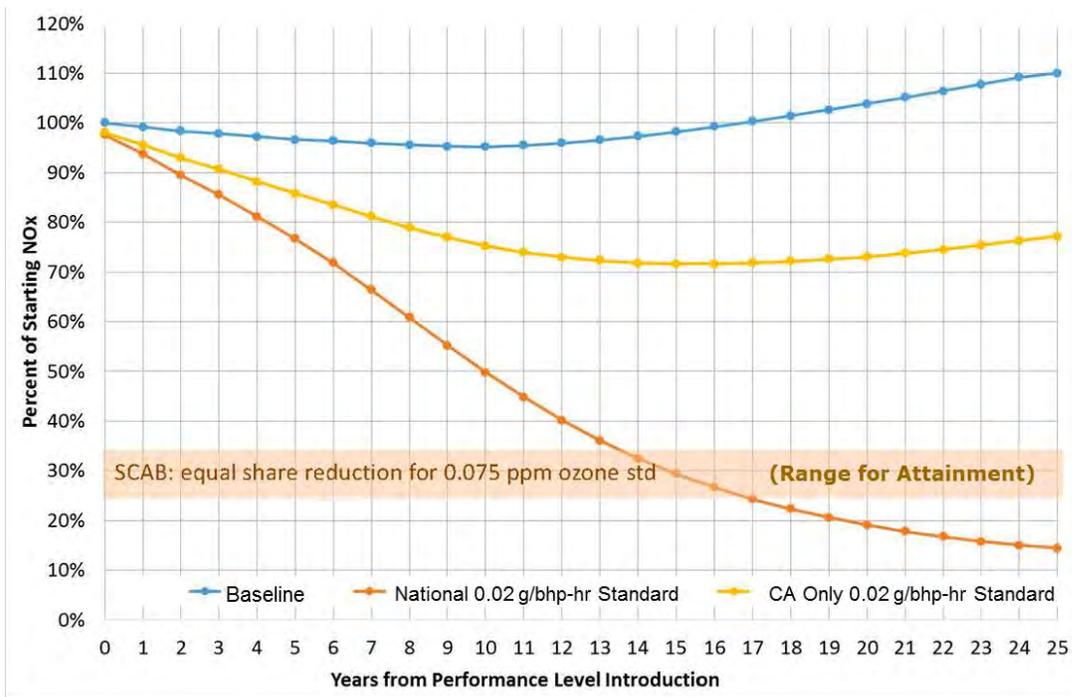


In June 2016, SCAQMD and 10 co-petitioners requested the U.S. EPA Administrator to undertake rulemaking to revise the national on-road heavy-duty engine exhaust NOx emission standard from 0.2 g/bhp-hr to 0.02 g/bhp-hr. It was recommended that the regulation be implemented by January 2022 or if not feasible, by January 2024, with a phase-in starting in January 1, 2022. A national standard is estimated to result in NOx emission reductions from this source category from 70 to 90 percent in 14 to 25 years, respectively. Given that the Basin must attain the 75 ppb ozone NAAQS by 2031 (within the

² <http://www.arb.ca.gov/planning/sip/2016sip/2016mobsrc.htm>.

³ <http://www.arb.ca.gov/planning/sip/2016sip/2016sip.htm>.

next 15 years), a new on-road heavy-duty engine exhaust emissions standard for NOx is critical given the time needed for such standards to be adopted, for manufacturers to develop and produce compliant vehicles, and for national fleet turnover to occur. The following chart shows the difference in NOx reductions from heavy duty trucks between baseline (no action) emissions (in blue), a low NOx standard adopted only in California (yellow) and reductions if the same low NOx standard is implemented nationally (orange).



Source: Presentation by Mr. Cory Palmer, ARB at the Symposium on California's Development of its Phase 2 Greenhouse Gas Emission Standards for On-Road Heavy-Duty Vehicles (April 22, 2015)

FIGURE ES-2. YEARS FROM PERFORMANCE LEVEL INTRODUCTION

Some of the control measures achieve emission reductions by continuing existing regulatory requirements and programs and extensions of those programs, while some control measures are not regulatory in form, but instead focus on incentives, outreach, and education to bring about emission reductions through voluntary participation and behavioral changes needed to complement regulations.

Regulatory Measures

In order to meet ozone standards, both NOx and volatile organic compounds (VOC) emissions need to be addressed. However, air quality modeling demonstrates that NOx reductions prove to be much more effective in reducing ozone levels and will also lead to significant improvement in PM2.5 concentrations. NOx-emitting stationary sources regulated by the SCAQMD include RECLAIM facilities (e.g., refineries, power plants, etc.), natural gas combustion equipment (e.g., boilers, heaters, engines, burners, flares) and other combustion sources that burn wood or propane. The 2016 AQMP proposes robust NOx reductions

from new regulations on RECLAIM facilities, non-refinery flares, commercial cooking, and residential and commercial appliances. Such combustion sources are already heavily regulated with the lowest NOx emissions levels achievable but there are opportunities to require and accelerate replacement with cleaner zero-emission alternatives, such as residential and commercial furnaces, pool heaters and back-up power equipment. Such replacements can be achieved through a combination of regulations and incentives. Technology-forcing regulations can drive development and commercialization of clean technologies, with future year requirements for new or existing equipment. Incentives can then accelerate deployment and enhance public acceptability of new technologies.

It should be emphasized that beginning in 2012, continued implementation of previously adopted regulations will lead to NOx emission reductions of 68 percent by 2023 and 80 percent by 2031. Examples of stationary source reductions include 12 tpd from RECLAIM facilities, 4.1 tpd from Rule 1147 sources, 3.2 tpd from Rule 1110, 1146, and 1146.1 sources and 3 tpd from the implementation of Rule 1111. With the addition of 2016 AQMP proposed regulatory measures, a 30 percent reduction of NOx from stationary sources is expected in the 15 year period between 2008 and 2023. This is in addition to significant NOx reductions from stationary sources achieved in the decades prior to 2008. This Plan builds upon these past successes with new regulatory commitments for additional emissions reductions to the same extent as past AQMPs.

Incentive Funding

Given the significant NOx emission reductions needed to attain the federal ozone air quality standards by 2023 and 2031, a combination of regulatory actions and public funding incentives are needed. With fast approaching ozone standard attainment deadlines, faster reductions are critical to complying with federal requirements and improving public health in the short term. The purpose of incentive programs is to advance deployment of new cleaner technologies at a pace that is not feasible through regulation alone. The approach that the SCAQMD and CARB are proposing to achieve the incentive-based emission reductions identified in the State Mobile Source Strategy (Appendix IV-B) and the SCAQMD's mobile and stationary source measures (Appendix IV-A) is predicated on securing the amount of funding needed to achieve the NOx emission reductions by 2023 and 2031.

The amount of incentive funding needed is estimated to be approximately \$11–14 billion in total funding over a seven to fifteen year period. Given this significant funding level needed to attain the federal ozone air quality standards, an action plan is being developed as part of the 2016 AQMP public adoption process to identify the necessary actions by the District, the region, the state, the federal government, and other partnerships to ensure the requisite levels of funding are secured as early as possible and sustained through 2031.

Currently, the SCAQMD receives around \$56 million per year in incentives funding to accelerate turnover of on- and off-road vehicles and equipment under SB 1107, a portion of the state's Tire Fee, and AB923. AB 923 will sunset in 2024. In addition, the District has received close to \$550 million in Proposition 1B funding. The last round of Proposition 1B will be ending in the next couple of years. The District has also received funding under the DERA program on a competitive basis. However, the amount of funding needed to achieve the NOx emission reductions associated with the "Further Deployment"

measures proposed in the State Mobile Source Strategy and the 2016 AQMP will require on the order of \$1 billion per year if funding is available beginning in 2017.

Attainment Demonstration

The 2016 AQMP demonstrates how and when the South Coast Air Basin, as well as the Coachella Valley, will attain the ozone and PM2.5 standards as “expeditiously as practicable,” but no later than the latest statutory attainment date. For the three ozone standards, the control strategy will reduce baseline emissions below the amount of allowable emissions in the region that would still meet the standards also referred to as the region’s “carrying capacity.” The following table provides the projected NOx baseline emissions and reductions in tons per day for the three ozone attainment years from implementing the different measures, programs and strategies in the overall control strategy. Traditional regulatory measures are a mix of SCAQMD and CARB control measures. Incentive measures include SCAQMD stationary and mobile source as well as CARB mobile source programs. Further deployment of cleaner technologies focus on additional incentives for the cleanest on-road vehicles and off-road equipment. Federal sources are comprised of aircraft, locomotives, and ocean-going vessels.

TABLE ES-2

Proposed NOx Reductions to Achieve Ozone Carrying Capacities

NOx Emissions (tpd)	2022 – 1-hour Ozone (120 ppb)	2023 – 8-hour Ozone (80 ppb)	2031 – 8-hour Ozone (75 ppb)
Baseline Inventory	287	255	214
Carrying Capacity	245	141	96
Traditional Regulatory Measures	2.6	3.2	18.2
Incentive-based Programs	18.2	23.9	25.7
CARB’s Further Deployment of Cleaner Technologies (On-Road, Off-Road)	0	62	34
Federal Reductions in State Strategy	9	46	64
TOTAL Reductions	30	135	142
Remaining NOx Emissions†	257	120	72
Set Aside Account	3	3	1
TOTAL Remaining NOx Emissions	260*	123	73

† Baseline Inventory minus Total Reductions

* Concurrent VOC reduction will assist in meeting the carrying capacity

The 2016 AQMP also demonstrates that the 24-hour PM2.5 standard will be met by the 2019 attainment year with no additional reductions needed beyond already adopted measures. Therefore, no additional measures are necessary for this standard. The annual PM2.5 standard, however, cannot be met by 2021 by implementing all feasible measures, which is the attainment year for our current “moderate” nonattainment area classification. As a “serious” nonattainment area, four more years are provided to attain the annual PM2.5 standard by 2025.

Since NOx emissions also lead to the formation of PM2.5, the NOx reductions needed to meet the ozone standards will lead to significant improvements in PM2.5 levels. The modeling results show that the ozone strategy will greatly assist in reducing PM2.5 concentrations, reaching attainment for the annual PM2.5 standard in 2023 when the benefits from the ozone strategy are fully realized. However, it is impracticable to demonstrate attainment by 2021, the “moderate” PM2.5 nonattainment area deadline. Thus, the SCAQMD is seeking to reclassify the South Coast Air Basin as a “serious” nonattainment area that will meet annual standard as “expeditiously as practicable,” but no later than the attainment year of 2025. The impracticability demonstration can be found in Appendix VI-B.

Clean Air Act Requirements

This Plan complies with applicable federal CAA includes a series of requirements to be included in State Implementation Plans for nonattainment areas. The following required elements have been included and/or analyzed in the 2016 AQMP and corresponding appendices.

- Emission Inventory
- Reasonably Available Control Measures (RACM)
- Best Available Control Measures (BACM)
- Control Strategy and Needed Other Measures
- Attainment Demonstration
- Impracticability Demonstration (for “moderate” annual PM2.5 area)
- Reasonable Further Progress (RFP) and Milestones
- Contingency Measures
- General Conformity
- Transportation Conformity
- Vehicle Miles Traveled (VMT) Offset Demonstration
- PM Precursors
- New Source Review (NSR)
- Emissions Statements

Collaboration and Outreach

The 2016 AQMP relies on significant integration and coordination with other agencies in order to successfully meet the Basin's clean air goals. This integration included the traditional collaboration between the SCAQMD, CARB, U.S. EPA and SCAG but also includes the California Energy Commission (CEC), the California Public Utilities Commission, and the California State Transportation Agency (Caltrans). Regional and local governments, such as counties, cities, coalitions of governments, and regional transportation agencies, have also been part of the integrated planning process. Such a process is useful when implementing strategies that are consistent with the State's Vision for Clean Air⁴ and strategies and goals of the 2016 AQMP. In addition to an integrated planning process with other agencies, the 2016 AQMP development process incorporates collaborative efforts by a wide range of non-government stakeholders. These efforts focus on businesses, environmental and health organizations, community groups, and academia. For example, in the months leading to the 2016 AQMP development, a series of AQMP White Papers were published in close collaboration with stakeholders.⁵ These provided the technical and policy foundation for many aspects of the Plan. A two-day Control Strategy Symposium took place as a forum of ideas for new control technologies, efficiencies and innovative approaches to reduce emissions. The 2016 AQMP Advisory Group also continues to meet to discuss specific plan elements, requirements, and control strategies. The SCAQMD has a long and productive history of reducing health risk from air toxics and criteria pollutant emissions through an extensive control program including traditional and innovative rules and policies. A continuing commitment to an inclusive, transparent, and collaborative process is key to program success.

⁴ <http://www.arb.ca.gov/planning/vision/vision.htm>.

⁵ <http://www.aqmd.gov/home/about/groups-committees/aqmp-advisory-group/2016-aqmp-white-papers>.



Technical Working Group

Agenda Item 2

Senate Bill 743 Analysis & Implementation Assistance Project

Southern California Regional Mitigation Discussion & Case Study Advising: Understanding, Advising & Collaborating on Southern California SB 743 Case Studies

10:00 AM to 12:30 PM | April 3, 2017
Offices of Southern California Association of Governments
818 West 7th Street, 12th Floor

Goal: To clarify research questions for and deliverables and benefits from the Southern California case studies of the implementation of SB 743's mandate to switch from a Level of Service standard under CEQA to a reduction in driving, as measured by vehicle miles traveled (in support of California's greenhouse gas reduction goals).

Participants: Transportation and land use agency staff and other persons with knowledge about and an interest in the project and case studies.

10:00 AM Introductory Matters

- A. Welcome (Ping Chang and Robert Liberty)
- B. Introductions
- C. Review of Agenda, Discussion and Confirmation of Goals for the Morning (Liberty & Chang)
- D. Overview of Project and Case Studies (Liberty, Chang, Sam Seskin)

10:15 AM

- E. I-215 (Completed Segments) Case Study
 - Description of the project and statement of technical and policy concerns about SB 743; describe what they hope the case study will address
 - Identification/confirmation of questions or methods to be addressed by case study
 - Discussion about methods and analyses used to answer case study questions
 - Conclusions and next steps

11:00 AM

- F. Irwindale Shopping Center Case study

- Description of the project and statement of technical and policy concerns about SB 743; describe what they hope the case study will address
- Identification/confirmation of questions or methods to be addressed by case study
- Discussion about methods and work products for case study addressing questions
- Conclusions about case study and next steps

11:30 AM Empire Lakes Case Study

- Description of the project and statement of technical and policy concerns about SB 743; describe what they hope the case study will address
- Identification/confirmation of questions or methods to be addressed by case study
- Discussion about methods and work products for case study addressing questions
- Conclusions about case study and next steps

Noon

G. Concluding Comments & Next Steps

12:30 PM Adjourn

Senate Bill 743 Analysis & Implementation Assistance Project

Southern California Regional Mitigation Discussion & Case Study Advising: Understanding, Advising & Collaborating on Southern California SB 743 Case Studies

Regional Learning and Brainstorming Session: Opportunities and Challenges for Regional VMT Mitigation Strategy for SB 743

1:30 to 4:30 PM | April 3, 2017

Offices of Southern California Association of Governments
818 West 7th Street, 12th Floor

Desired outcomes:

- Explore benefits and challenges of regional VMT mitigation strategies
- Brainstorm about and help evaluate application of land use project-level and regional-level VMT reduction strategies
- Provide guidance on the integration of VMT mitigation strategies into Southern California case studies

Invited participants: State, regional and local transportation (including transit) planning staff, local land use planning staff, and CEQA specialists, project Technical Advisory Committee members, other stakeholders

1:30 PM

- A. Welcome & Introductions
- B. Review of Agenda and Desired Outcomes
- C. SB 743 Implementation Project Overview as Context for Regional and Project Level VMT Mitigation Brainstorming (Robert Liberty, Ping Chang, Sam Seskin)
- D. Review, Modification and Confirmation of Goals for the Day.

1:50 PM

- E. Neil Peacock, Caltrans: Precedents, Opportunities and Constraints for Creating a Regional VMT Mitigation Strategy
 - Presentation regarding the legal and administrative structure and precedents for a regional VMT mitigation strategy, and overview of information about types and effectiveness of VMT reduction programs
 - Questions, answers, comments

2:40 PM Break

2:50 PM Brainstorming: Division into smaller working groups organized around regional VMT and local real estate development case studies, potentially other topics.

This will be a brisk discussion and opinion-gathering exercise. To facilitate the discussion, participants will be provided with an annotated spreadsheet of potential VMT reduction strategies, organized by theme. The goal will be to identify the likeliest mix of mitigation strategies, as evaluated against factors like political acceptance, cost effectiveness and technical feasibility. This information will inform the mitigation discussion in the case studies.

Break-Out Groups:

- A. Regional-Scale Mitigation System (e.g. for new freeway segments)
- B. Irwindale Shopping Center (project level mitigation and regional mitigation)
- C. Empire Lakes Mixed Use Development (project level mitigation and regional mitigation)
- D. Other?

3:50 PM

- E. Report Back, Group Discussion & Summary of Key Points from Brainstorming

4:30 PM Adjourn



Technical Working Group

Agenda Item 3



April 6, 2017

Mary D. Nichols, Chair
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

RE: ARB 2030 Target Scoping Plan Update

Dear Ms. Nichols,

Thanks for the opportunity to review the Draft Scoping Plan Update to meet the 2030 target. We appreciate the outreach efforts of ARB staff including a one-hour briefing to the SCAG Joint Policy Committees on January 5, 2017 which helped to inform our local elected officials about the Scoping Plan.

Attached please see SCAG comments focusing on the following six key topics:

- The Limitation of Using Vehicle-Miles Traveled (VMT) Reduction to Reach Greenhouse Gas (GHG) Reduction Targets/Goals
- Need for Regional Equity in Cap-and-Trade Greenhouse Gas Reduction Funds (GGRF) Allocation Considering Regional Needs Particularly Disadvantaged Communities
- Comments on Appendix C (Vibrant communities and Landscape and Potential State-Level Strategies to Advance Sustainable, Equitable Communities and Reduce Vehicle Miles Traveled (VMT)) as related to implementation feasibility
- Integration of the State Implementation Plan Measures with the Scoping Plan
- Further Clarifying that the Community-wide GHG Reduction Goal is not a Requirement for Local Jurisdictions
- Preparing for Unintended Consequences from the Improvements in Vehicle Fuel Efficiency

SCAG's comments are aimed to looking for opportunities for synergies between the Scoping Plan, SCAG's RTP/SCS and Air Quality Management Plans/State Implementation Plans, highlighting constraints for increasing SB 375 targets and need for flexibility, and preparing for unintended consequences. Additional comments containing clarification and editing suggestions are also attached to help improve the document.

We look forward to the revised draft and please contact me if you have questions.

Sincerely,

Hasan Ikhata
Executive Director

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ARB Draft 2030 Target Scoping Plan Update

SCAG Comments

April 6, 2017

1. The Limitation of Using VMT Reduction to Reach Climate Goals

On page 15, under Ongoing and Proposed Measures – Vibrant Communities and Landscapes/VMT Reduction Goal, it includes a goal of 15 percent reduction in total light duty VMT in 2050 referencing the Mobile Source Strategy. It should be noted that the 15% reduction is a statewide goal and not intended to be the sole responsibility by the MPOs through their respective RTPs/SCSs. At the ARB Board meeting on March 23, 2017, ARB staff's presentation also made it clear that the 15% VMT reduction is the joint responsibilities of the state and MPOs through their RTPs/SCSs. This point has also been clarified through the MPO/ARB consultation process with respect to the SB 375 target update, consistent with the language of the Draft Scoping Plan and Mobile Source Strategy.

With extensive bottom-up collaborative process with local jurisdictions and interested parties, SCAG's 2016 RTP/SCS is estimated to achieve an 18% per capita reduction in Greenhouse Gas (GHG) emissions in 2035, significantly exceeding the ARB target of 13%. However, even with the passage of Measure M in Los Angeles County in 2016, the region is unlikely to achieve further GHG reductions over the 18% level considering the significant improvements in vehicle fuel efficiency and the induced travel (i.e., rebound effects) by 2035. This finding is derived after undergoing extensive technical analysis in collaboration with the other large MPOs in the state.

As to the total VMT reductions from the respective baselines, SCAG's 2016 RTP/SCS shows an approximately 6% reduction in 2030 and 7% in 2040. Please note that 15% reduction goal in 2050 in the Draft Scoping Plan Update already includes SCAG's and other MPOs' adopted RTP/SCS in ARB's 2050 baseline, so an additional 15% reduction is needed statewide beyond MPOs' adopted RTP/SCS. This additional 15% reduction will be very difficult given that the Draft Scoping Plan Update calls for doubling the fuel efficiency, increasing to 49 miles/gallon in 2030 from today's 24 miles/gallon which will induce additional VMT since it will be cheaper to use a vehicle.

In summary, the Scoping Plan should include realistic expectations from the Transportation Sector associated with total light-duty VMT reduction.

(Please note that at the April 6, 2017 meeting, the SCAG Regional Council took action to approve SCAG's submittal to CARB of a recommended greenhouse gas (GHG) per capita reduction target for the region that is the same as the achievement in the 2016-2040

RTP/SCS — 18% in 2035. This recommendation would apply to the 2020 RTP/SCS and subsequent cycles of the SCS, and is conditioned upon a combination of actions or alternative equivalent measures further described below in the staff report (see Section entitled “SCAG’S TARGET RECOMMENDATIONS AND CONDITIONS”). For further details, please see item 2 via the link below:

<http://www.scag.ca.gov/committees/CommitteeDocLibrary/rc040617fullagn.pdf>.)

2. Need for Regional Equity in Cap-and-Trade/Greenhouse Gas Reduction Funds (GGRF) Allocation Considering Regional Needs Particularly Disadvantaged Communities

The Draft Scoping Plan expects the Cap-and Trade Program to achieve 25% to 40% of the total GHG reductions needed by 2030 (Page 58 Table III-1). The Cap-and-Trade auction proceeds have been used to support further GHG reduction efforts. However, up-to-date, there has been a regional disparity in Cap-and-Trade/GGRF Funding allocation. As a specific example, for the first two rounds of the Affordable Housing and Sustainable Communities (AHSC) Program funding, SCAG region has only received about a quarter of the total state funding while the region contains about a half of the state’s population and two-thirds of the state’s disadvantaged population pursuant to SB 535.

3. Comments on Appendix C (Vibrant communities and Landscape and Potential State-Level Strategies to Advance Sustainable, Equitable Communities and Reduce Vehicle Miles Travel (VMT))

The two White Papers in Appendix C mostly provided high level discussions of the various potential strategies and actions. However, further details are needed with respect to, for example, the following:

- What are the implementation feasibility and best practices of several suggested actions such as Growth Boundaries and establishing land conservation targets?
- For the VMT reduction strategies, how to identify and emphasize those that have the potential to yield the greatest benefits of GHG emission reduction and criteria pollutant reduction?

SCAG is encouraged by the recognition that pricing policies are integral to statewide efforts to meet GHG reduction goals and clearly believe that more can be done – both at the state level and locally – to facilitate further studies and demonstrations of pricing policies. SCAG is continuing to evaluate far reaching congestion pricing concepts, including strategic application of cordon pricing in the urban context, that are likely to have a profound impact on GHG reduction goals, local investment in new mobility options, while also serving as critical transportation demand management tools.

4. Integration of the State Implementation Plan Measures with the Scoping Plan

We appreciate ARB's effort to integrate multiple state planning efforts in the Proposed Scoping Plan Scenario, particularly the Mobile Source Strategy. We urge ARB to go further by integrating, prioritizing funding for, and accounting for the GHG reduction co-benefits of all significant measures in the air quality management plans/state implementation plans (AQMPs/SIPs) currently under development throughout the state, particularly the full scope of the "Further Deployment of Cleaner Technologies" measures in the 2016 South Coast AQMP. First of all, these SIP measures can yield substantial GHG reduction co-benefits as demonstrated in *Table III-1. Ranges of Estimated GHG and Air Pollution Reductions by Policy or Measure in 2030* of the Draft Scoping Plan (p. 57), and also represent an excellent opportunity for ARB to strengthen the state GHG programs to support greater air quality co-benefit. Secondly, these SIP measures, once approved by U.S. EPA as anticipated, will be legally enforceable and required to be implemented. Therefore, the GHG reduction co-benefits from these SIP measures have greater degree of enforceability and certainty. In addition, the 2016 South Coast AQMP has identified the need to secure significant incentive funding to implement measures in the AQMP especially the "Further Deployment of Cleaner Technologies" measures. The integration and prioritization of these SIP measures in the Proposed Scoping Plan can provide and prioritize available GHG program funds to fill the large gap of the incentive funding needed for both attainment demonstration and eventual attainment of the health-based national ambient air quality standards. It is critical for the South Coast region to be able to demonstrate attainment now and actually attain by the statutory deadlines in the near future. Otherwise, the South Coast region may face the dire consequences of potential highway sanctions and transportation conformity lapse that can impede the implementation of critical transportation projects in the vast region. Finally, Environmental Justice/Disadvantaged Communities in the severe or extreme non-attainment areas such as the South Coast are disproportionately burdened by heavy pollution from criteria pollutants. The integration and prioritization of the SIP measures can yield tangible co-benefits of health benefits by reducing criteria and toxic air pollution in the EJ/disadvantaged communities.

5. Further Clarifying that the Communitywide GHG Reduction Goal is not a Requirement for Local Jurisdictions

On page 134 of the Draft Scoping Plan, it states that "ARB recommends that local governments aim to achieve community-wide goal to achieve emissions of no more than six metric tons CO₂e per capita by 2030 and no more than two metric tons CO₂e per capita by 2050." Appendix B also provides examples of local actions that can support the State's climate goals. While the Draft Scoping Plan has not included any new measures as requirements for local jurisdictions to implement to meeting the 2030 GHG reduction targets, it would be helpful for ARB to state explicitly that the communitywide goal is not a requirement for local jurisdictions.

Instead, a communitywide goal should be one of the many ways for the state to support local jurisdictions along with funding, regulatory incentives, technical assistance and other resources, to contribute to the statewide climate goals.

In addition, to meet the SB 32 and Executive Order (S-3-05) requirements for 2030 and 2050 respectively, both 2030 and 2050 should have maximum allowable GHG emissions. Therefore, given the projected statewide population, a statewide goal of GHG emission per capita could be estimated in 2030 and 2050. However, it should be noted that different local jurisdictions may be in different climate zones, have different industry mix, development patterns and public transit availability, accordingly a single numerical GHG emission level per capita for 2030 or 2050 may not be appropriate for all local jurisdictions. The climate goal for a given community should be achievable given its specific conditions. ARB and other state agencies should also be clearly aware of the significant local differences with respect to achieving a constant GHG reduction goal in implementing their respective programs.

6. Preparing for Unintended Consequences from the Improvements in Vehicle Fuel Efficiency

The Draft Scoping Plan Update calls for doubling the fuel efficiency, increasing from today's 24 miles/gallon to 49 miles/gallon in 2030. In addition, the Scoping Plan also includes an accelerated deployment of zero-emission vehicles to 4.3 million by 2030. Since the gasoline excise tax has been the primary source of state and federal funding for transportation investments, the Proposed Scoping Plan should also recognize that significant improvements in fuel efficiency including the accelerated deployment of zero-emission vehicles would adversely impact already insufficient transportation revenue sources. SCAG has advocated for more than a decade for the transition from a fuel-based tax to a mileage-based user fee among other strategies to establish a user fee based system that better reflects the true cost of transportation. State leadership and collaboration with local and regional partners on the implementation of road charges to fund transportation is critical. Such strategies provide the most promise for reducing VMT and associated GHG emissions.

Additional SCAG Staff Comments on ARB Draft Scoping Plan

#	Chapter/ Appendix	Page	Scoping Plan Language	Comments
1	Natural Environment and Working Lands	General		<p>Conservation incentives, carbon sequestration methods, and economic impacts for working lands are very different from natural/habitat lands. There should be a more specific approach for farmland conservation, most importantly strategies and incentives to ensure stewardship or for farmers and ranchers to use the most efficient techniques for GHG sequestration. Since some farmlands/ranchlands contribute to GHG emissions, it would be helpful to see a two-tiered strategic approach: 1. Outline strategies to cut emissions on working lands, and 2. Outline strategies for sequestration on working lands. Currently, the plan is vague on these strategies.</p> <p>There could be a disproportionate cost burden placed on smaller independent farms to reduce emissions or sequester carbon. Therefore, language and strategies should be added that differentiate between large-scale industrial/factory farming and smaller, independent farms. Attention should be paid to what climate-smart agricultural techniques may be financially or otherwise onerous to small farms, especially in disadvantaged areas.</p>
2	Natural Environment and Working Lands	General		<p>Protecting and restoring biodiversity is a critical aspect of a robust climate strategy, and should be paid stronger attention in the plan. A considerable number of high-biodiversity habitats that play a key role in ecosystem functioning are adjacent to urban and suburban communities, and largely do not have protected status. These habitats should be prioritized for conservation, especially in hillsides or riparian areas. Natural lands connectivity and wildlife corridor conservation should also be highly prioritized. Programs should be included that avoid a piecemeal approach to conservation that could disrupt habitat connectivity and species migration patterns. Consideration should be paid to linkages that 1) a reserve network that harbors the greatest climatic diversity will allow for greater adaptation and 2) maintaining species access to cooler climates as temperatures rise.</p>
3	Natural Environment and Working Lands	General		<p>Because natural landscapes transcend political boundaries, strategies that conserve and maintain natural lands on a regional level should be prioritized. Conservation agreements between cities, counties, and tribes should be encouraged. Regional Conservation Plans, Multiple Species Habitat Plans, and Natural Communities Conservation Plan/Habitat Conservation Plans are strategies that could be improved upon or expanded to reach conservation goals.</p>
4	Natural Environment and Working Lands	General		
5	II. The Proposed Scenario	35	Reduction in vehicle miles traveled (VMT), to be achieved in part by continued implementation of SB 375 and regional Sustainable Community Strategies; forthcoming statewide implementation of SB 743; and additional VMT reduction strategies not specified in the Mobile Source Strategy, but included in the document "Potential VMT Reduction Strategies for Discussion" in Appendix C	"Potential VMT Reduction Strategies for Discussion" (Appendix C) was first presented during the proposed Scoping Plan process as potential strategies yet they are now being referred to in Table II-1 on pg. 35 as a path to further VMT reductions. Please clarify if Appendix C has become the defacto menu of VMT reduction measures or are these still just potential strategies as stated in the original document?
6	Section C. Transportation Sustainability	100	In fact, transport-related physical activity could result in reducing risks from chronic diseases	We suggest that the text should be revised to state, "Studies indicate" instead of "In fact," since these studies use models.

Additional SCAG Staff Comments on ARB Draft Scoping Plan

#	Chapter/ Appendix	Page	Scoping Plan Language	Comments
7	Section C. Transportation Sustainability	102	<p>Quadruple the proportion of trips taken by foot by 2030 (from a baseline of the 2010–2012 California Household Travel Survey). Strive for a nine-fold increase in the proportion of trips taken by bicycle by 2030 (from a baseline of the 2010–2012 California Household Travel Survey).</p>	<p>We believe that a quadrupling of the proportion of trips taken by foot would be dramatic and potentially unrealistic. Walk mode share accounted for 10.7% of trips in 2010-2012. Quadrupling the proportion of trips would result in 42.8% increase by 2030, with a walk score of 14.4%. A 9-fold increase in the bicycle trips would mean a 1.6% mode share in 2010-2012 would result in a 14.4% mode share in 2030. This increase in bicycle trips appears to be more reasonable when compared to the walk trips, but the goals still appear to be lofty and aggressive. Overall, a change of this magnitude would require a major shift in land use and current transportation patterns. It would require a good portion of the trips be achievable within a 1-2 mile distance for walking. These goals might be achievable, if the State's work culture supports a largely telecommuting work environment and/or we saw major shifts in land use in suburban communities which strengthen their economic core to provide more jobs and housing. We also suggest that ARB clarify if the increase in walking trips is directly correlated with the assumption that public transit ridership would substantially increase. If so, please clarify if the walking trips are double counted as transit ridership would result in an average of two walking trips.</p>
8	Section C. Transportation Sustainability	102	<p>Continue research and development on transportation system infrastructure, including:</p> <ul style="list-style-type: none"> o Integrate frameworks for lifecycle analysis of GHG emissions with life-cycle costs for pavement and large infrastructure projects, and o Health benefits and costs savings from shifting from driving to walking, bicycling, and transit use. 	<p>We suggest to add a third bullet to this section: Improve statewide data sets to integrate big data, improve data collection for active transportation, and investments in regional modeling capacity to provide information on the VMT reduction opportunities from proposed land use and transportation investments and programs.</p>
9	Section C. Transportation Sustainability	102	<p>Health benefits and costs savings from shifting from driving to walking, bicycling, and transit use.</p>	<p>We support this statement and would also support research into the economic benefits for providing affordable housing.</p>
10	Section C. Transportation Sustainability	103	<p>Strive, in passenger rail hubs, for a transit mode share of between 10 percent and 50 percent and for a walk and bike mode share of between 10 percent and 15 percent.</p>	<p>Please clarify as to what constitutes a "passenger rail hub" and whether this would include, for example, any inter-city passenger rail (Amtrak) or high-speed rail station, or whether a number of connecting passenger rail, commuter rail, and/or urban rail services are required. It is unclear whether the mode shares would apply only to trips terminating at or originating from the passenger rail station (i.e., trips transferring to or from the passenger rail service) or whether this includes all trips occurring within an unspecified boundary of the passenger rail station. It is unclear how the range of 10 percent to 50 percent was determined or whether this takes into account existing mode shares.</p>
11	Section C. Transportation Sustainability	106	<p>Implement the Cleaner Technology and Fuels Scenario of CARB's Mobile Source Strategy, which includes:</p> <ul style="list-style-type: none"> o 4.3 million zero emission and plug-in hybrid light-duty electric vehicles by 2030 	<p>The number of zero emissions vehicles forecasted appears to be inconsistent throughout the document. Please clarify if the total number of forecasted zero emissions vehicle is 4.2 million or 4.3 million.</p>
12	IV. Key Sectors	108	<p>"Promoting stronger boundaries to suburban growth through enhanced support for sprawl containment mechanisms such as urban growth boundaries and transfer of development rights programs"</p>	<p>Please clarify if this statement will be supported with the full willingness and support from local land use authorities.</p>
13	Natural Environment and Working Lands	109	<p>"Promoting stronger boundaries to suburban growth . . ."</p>	<p>Change to "Minimize impacts of suburban growth through incentives for greenfield preservation and transfer of development rights programs."</p>
14	Natural Environment and Working Lands	110	<p>"Landowner, local, and regional decisions related to land use impact development patterns and associated natural and working land conversion rates; conversely conservation activities can support infill-oriented regional development and related transportation needs."</p>	<p>This sentence seems confusing, and might be interpreted as accusatory towards landowner, local and regional development decisions.</p>

Additional SCAG Staff Comments on ARB Draft Scoping Plan

#	Chapter/ Appendix	Page	Scoping Plan Language	Comments
15	Natural Environment and Working Lands	111	Senate Bill 1383 and the resultant Proposed SLCP Reduction Strategy identify a mix of voluntary, incentive-based, and potential regulatory actions to achieve significant emissions reductions from these sources. A variety of techniques will be employed to attain the best results for each specific farming operation, and effectively implementing a broad mix of strategies will reduce the GHG emissions from the agricultural sector significantly.	How will voluntary practices for agricultural land be incentivized? Will there be any policies to incentivize farmers to preserve actively farmed land, thereby discouraging conversion to more resource intensive land uses with higher GHG emissions? A great portion of agricultural land in the SCAG region is in economically disadvantaged areas, and balancing preservation and growth priorities is an ongoing challenge. What strategies will be considered to protect farmland in areas where there may be a lack of resources or political support for conservation?
16	Natural Environment and Working Lands	116	Promote and provide incentives for infill development through community revitalization and urban greening and support for permanent and temporary voluntary conservation of lands under threat of development, paired with stewardship plans where possible.	Potential incentives should be specified.
17	Natural Environment and Working Lands	116	Promote the adoption of regional transportation and development plans, such as SB 375 Sustainable Communities Strategies and Climate Action Plans that prioritize infill and compact development and also consider the climate change impacts of land use and management.	We believe that this statement is vague. How will the state promote the adoption of these plans? Will resources be provided to ensure jurisdictions can initiate, adopt and implement strategies that prioritize infill and compact development in partnership with other complementary strategies?
18	Natural Environment and Working Lands	116	Provide support and technical assistance for counties, cities, and regions to integrate natural and working lands conservation priorities into plans, drawing from existing Natural Community Conservation Plans, Habitat Conservation Plans, the State Wildlife Action Plan, and critical agricultural lands.	We believe that this statement needs further clarification. Would "critical agricultural lands" be part of the plan?
19	Section E. Waste Management	119	Production and use of bioenergy in the form of biofuels and renewable natural gas has the potential to reduce dependency on fossil fuels for the transportation sector	We agree that biofuel can produce less emissions when compared to fossil fuels. However, the effects from land use change have the potential to cause even more emissions than what would be caused by using fossil fuels alone. Would organic waste diversion and fuel conversion occur by diverting material to a near by facility; or would the breakdown occur on-site within the land fills?
20	Section E. Waste Management	124	Developing programmatic Environmental Impact Reports (EIRs) and model permit and guidance documents to assist in environmental review and CEQA for new facilities.	We believe that this statement needs further clarification. Please clarify if developing PEIRs would assist in tiering. For example, if Calrecycle developed a PEIR, could a landfill project tier off the PEIR? Or would the PEIR be developed to evaluate the environmental impact of a plan or policy? Additionally, please provide clarification as to the purpose of model permits and guidance documents. Would agencies integrate them as best management practices and/or mitigation measures, within their EIRs?
21	Implementing the Proposed Plan	137	Table VI: Climate Change Policies and Measures: By 2018, develop Integrated Natural and Working Lands Action Plan to secure California's land base as a net carbon sink . . .	We suggest that the Department of Agriculture be included as a lead agency along with the CNRA. A lot of indispensable knowledge and technical expertise will be missing from strategies if agricultural experts are not included.
22	EJAC recommendations	3	New projects must not create adverse impacts like displacement of existing residents.	Current State statute requires that projects that result in the removal of affordable housing units must replace the housing units. It is unclear if the intention here is for the requirement of non-displacement and if it is strictly intended for disadvantaged communities.
23	EJAC recommendations	4	Do not create new infrastructure that relies on fossil fuels, including natural gas, fracking, pipeline development, crude oil shipments and processing	We suggest the language be revised to state that we should minimize new infrastructure that rely on fossil fuels but should not completely avoid due to larger costs and efficiency

Additional SCAG Staff Comments on ARB Draft Scoping Plan

#	Chapter/ Appendix	Page	Scoping Plan Language	Comments
24	EJAC recommendations	9	Climate investments and energy solutions (building retrofits, weatherization, solar, microgrids, etc.) must serve entire disadvantaged communities, rather than just individual buildings or homes. Other populations of note include: fixed-income, seniors, people with chronic conditions, and other low-income residents.	It is our opinion that benefits to individual families can still benefit the entire community and focusing on the entire community may result in a scenario where efficiency is not achieved
25	EJAC recommendations	24	Greenhouse Gas Reduction Fund projects must be transformative for disadvantaged communities, in ways defined by each community themselves.	We agree that Greenhouse Gas Reduction Fund Projects are good for encouraging community-specific needs. However, some projects that are otherwise beneficial may not meet certain community requirements while meeting them in other communities.



Technical Working Group

Agenda Item 4

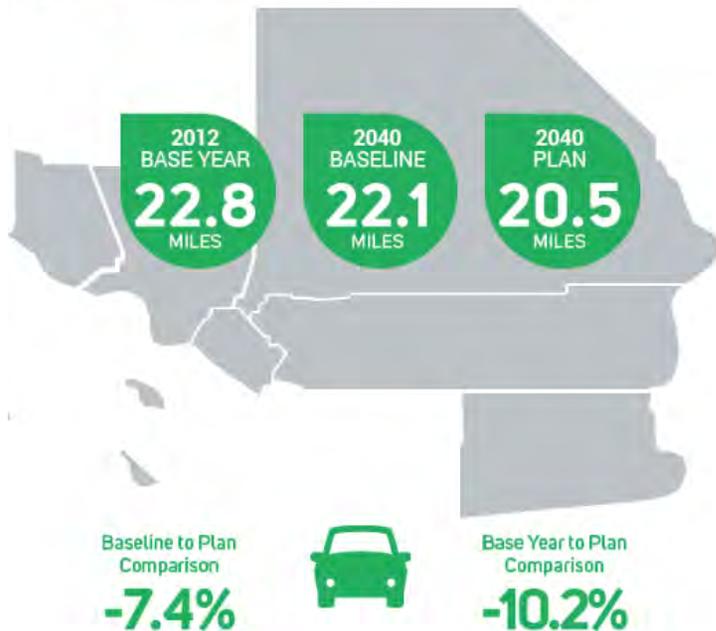


SB 375 Regional GHG Target Recommendations for the 2020 RTP/SCS and Beyond: Status & Next Steps

April 20, 2017

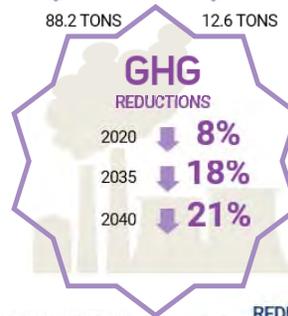
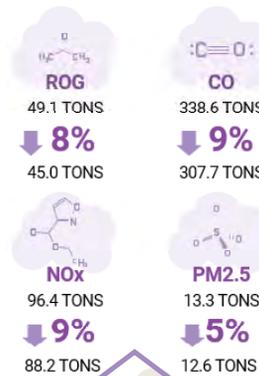
Outcomes of SCAG's 2016 RTP/SCS

Daily Vehicle Miles Traveled (VMT) *per capita*



Efficiency
Cost Savings

Improved Air Quality



PASSENGER VEHICLE FUEL USE



REDUCTION IN
BUILDING ENERGY COSTS



Spending Less Time on the Road

20.5 miles

average daily vehicle miles
driven per person



9.2 mins

daily delay per capita (extra
time spent in traffic)



HOUSEHOLD COSTS
(transportation/energy/water use)

\$14,000/yr



Strategies of SCAG's 2016 RTP/SCS

- Includes a revenue neutral Mileage (VMT) Based User Fee
 - \$0.04/Mile in 2015 dollars; starts in 2025 and replaces gas taxes; indexed at 2.4% per year
- Fix it First — Focus on O & M
- Incentives future growth in areas well served by transit
- Increase first/last mile investments within High Quality Transit Areas (HQTAs)
- Promote mixed-use walkable communities, avoid new developments in sensitive habitats
- **To implement the plan, SCAG will continue supporting local initiatives through our Sustainability Planning Grants**
 - \$11 Million in funding over 3 years and \$5+ Million set aside for Active Transportation; local request totaled \$35 Million

15%
Capital investment
to highways
Doubles Active
Transportation investment
13 Billion

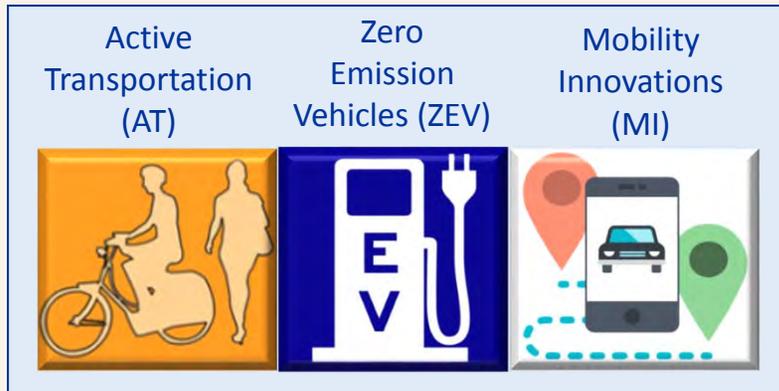
FOCUS
50%
growth within
3%
land area

FROM
7:3
single- vs. multi-
family units
TO
3:7

Build Upon 2016-2040 RTP/SCS Findings of SCAG's Stress Test & Additional Considerations

- **Summary of Findings**

- Focused on: AT, ZEV, and MI
- 2.0 to 2.5 percentage points GHG can be reduced above our 2016 RTP/SCS achievement – through additional programs, investments, and mobility innovations
- With an estimated cost of \$10 billion



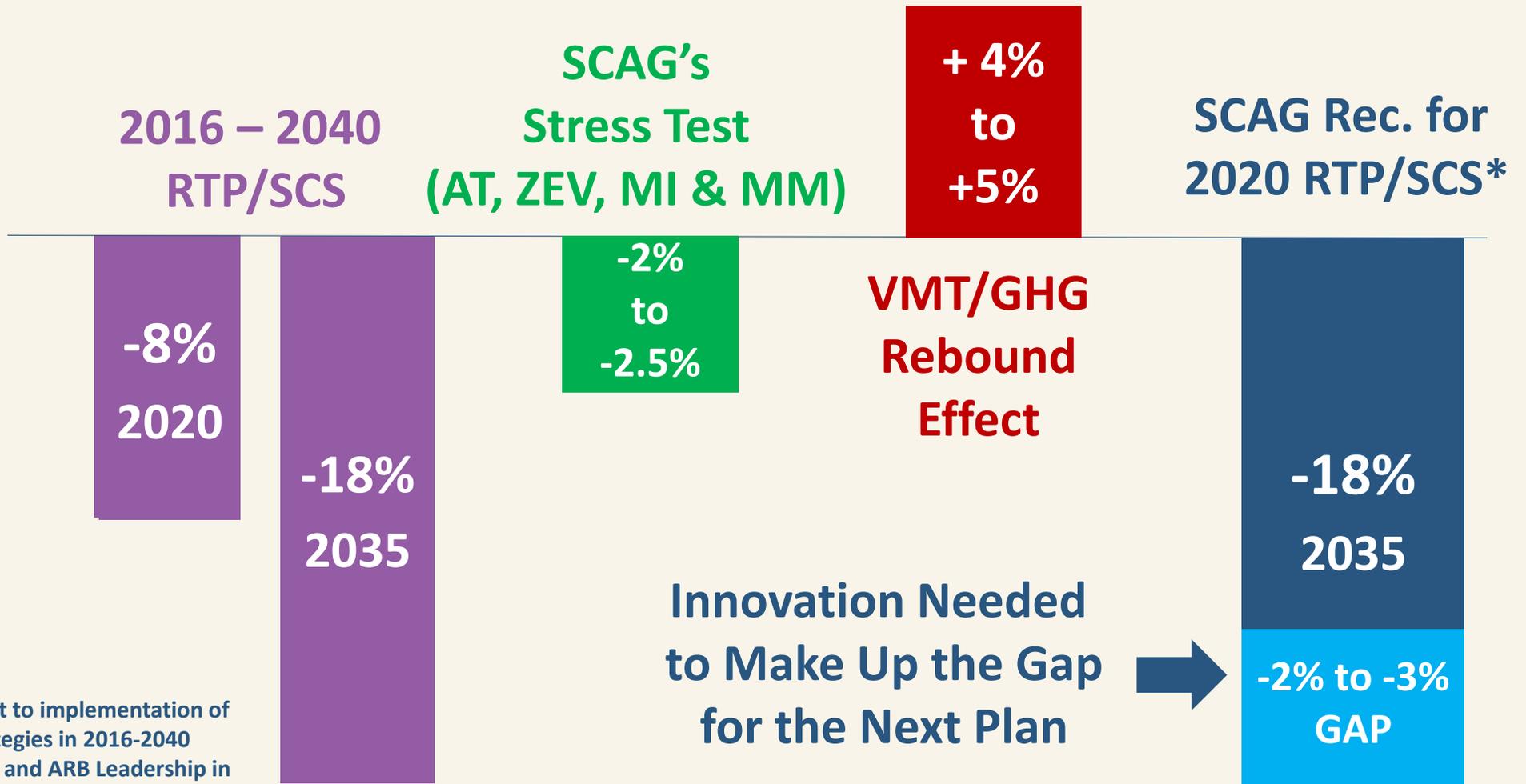
- **Impacts From Transit Investments in Measure M**

- May result in **additional** and moderate per capita GHG reductions
- AT investments estimated to reduce funding gap to less than approx. \$5 billion

- **Automotive Technology Improvements in Fuel Efficiency**

- Could lead to a substantial **increase** in per capita GHG due to the decreased cost of driving

SCAG GHG Target Recommendations



* Subject to implementation of key strategies in 2016-2040 RTP/SCS and ARB Leadership in Technical and Modeling Areas

NEXT STEPS

- **Deadline for MPO recommendation: Noon, May 1, 2017**
- **ARB will issue draft target in June 2017**
- **ARB Board requested workshop on funding in June/July for MPO EDs, ARB Board and other state agencies**
- **Final target will be adopted in Fall 2017—
October 2017**

POTENTIAL Additional STRATEGIES for 2020 RTP/SCS:

- Advanced Pricing
 - Cordon pricing & others
 - Parking pricing and management
- Land Use
 - Complete Community,
 - Residential center/Job center strategy
 - Livable Corridors & Neighborhood Mobility Areas
- System Management
 - Accident/incident management & response
 - Route optimization/goods delivery & passenger through GPS & info technology
- Transit
 - Flexible/on-call transit
 - Transit sourcing
 - Transit subsidy
- Virtual Reality (VR)
 - Work at home/telecommuting
 - Assess trip replacement through VR/Internet
- AI/Robots
 - Replace commuters/workers
- Indirect Source Rules (ISR)
 - Ports—Seaport, airport, warehousing
 - Stadium, special event center



SCAGTM

INNOVATING FOR A BETTER TOMORROW

Thank you!



Technical Working Group

Agenda Item 5

REPORT

DATE: April 6, 2017

TO: Executive/Administration Committee (EAC)
Regional Council (RC)

FROM: Darin Chidsey; Chief Operating Officer; chidsey@scag.ca.gov

SUBJECT: April 2017 State and Federal Legislative Update

EXECUTIVE DIRECTOR'S APPROVAL: 

STATE

State Transportation Bill – SB 1

On April 5, 2017, Governor Edmund G. Brown Jr., Senate President pro Tempore Kevin de León and Assembly Speaker Anthony Rendon joined a bipartisan group of labor, business, transportation and local leaders from across the state to call on the Legislature to pass SB 1, the Road Repair and Accountability Act of 2017, co-authored by Senator Jim Beall (D-San Jose) and Assembly Member Jim L. Frazier Jr. (D-Discovery Bay).

The bill incorporates provisions of the Assembly transportation funding bill, AB 1, would direct investment to fix roads, freeways and bridges in communities across California and put more dollars toward transit and safety.

As amended, the bill invests \$52.4 billion over the next decade - split equally between state and local investments, approximately \$26.6 billion of which would be dedicated for local expenditures and \$25.8 billion for state purposes as follows:

Local Streets and Transportation Infrastructure (50 percent):

- \$15 billion in "Fix-It-First" local road repairs, including fixing potholes
- \$7.5 billion to improve local public transportation
- \$2 billion to support local "self-help" communities that are making their own investments in transportation improvements
- \$1 billion to improve infrastructure that promotes walking and bicycling
- \$825 million for the State Transportation Improvement Program local contribution
- \$250 million in local transportation planning grants.

State Highways and Transportation Infrastructure (50 percent):

- \$15 billion in "Fix-it-First" highway repairs, including smoother pavement
- \$4 billion in bridge and culvert repairs
- \$3 billion to improve trade corridors
- \$2.5 billion to reduce congestion on major commute corridors

REPORT

- \$1.4 billion in other transportation investments, including \$275 million for highway and intercity-transit improvements.

These investments are paid for by users of the state's roads and highways from the following taxes and fees:

- \$7.3 billion by increasing diesel excise tax 20 cents
- \$3.5 billion by increasing diesel sales tax to 5.75 percent
- \$24.4 billion by increasing gasoline excise tax 12 cents
- \$16.3 billion from an annual transportation improvement fee based on a vehicle's value
- \$200 million from an annual \$100 Zero Emission Vehicle fee commencing in 2020.

The legislation also includes strong accountability measures to protect the increased funding, including:

- Constitutional amendment to prohibit spending the funds on anything but transportation
- Inspector General to ensure Caltrans and any entities receiving state transportation funds spend taxpayer dollars efficiently, effectively and in compliance with state and federal requirements
- Provision that empowers the California Transportation Commission to hold state and local government accountable for making the transportation improvements they commit to delivering
- Authorization for the California Transportation Commission to review and allocate Caltrans funding and staffing for highway maintenance to ensure those levels are reasonable and responsible
- Authorization for Caltrans to *complete earlier mitigation of environmental impacts from construction*, a policy that will reduce costs and delays while protecting natural resources. (Emphasis added).

In calling for SB 1's passage, the Governor noted that California has not increased the gas tax in 23 years. Since then, California's population has grown by eight million and Californians drive over 350 billion miles a year, more than any other state - yet road and transit investments have not kept pace with this growth. SCAG has supported SB 1 and the preceding infrastructure funding bills in the prior regular and extraordinary legislative sessions, consistent with board adopted policy supporting comprehensive transportation and infrastructure funding reform. The bill is on the Senate floor and legislative leaders expect the bill to be acted on by April 6, 2017.

FEDERAL

Senate Panel Hearing on Goods Movement

On April 4, 2017, the Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety, and Security, of the Committee on Commerce, Science and Transportation convened a hearing titled "Keeping Goods Moving: Continuing to Enhance Multimodal Freight Policy and Infrastructure". The hearing examined the importance of the multimodal freight transportation network and policies needed for a growing economy. Witnesses at the hearing included:

- Mr. Derek J. Leathers, President and Chief Executive Officer, Werner Enterprises
- Mr. Lance M. Fritz, Chairman, President and Chief Executive Officer, Union Pacific
- Mr. Michael L. Ducker, President and Chief Executive Officer, FedEx Freight
- Mr. James Pelliccio, President and Chief Executive Officer, Port Newark Container Terminal



Witnesses expressed support for direct federal investment in transportation projects; multiple witnesses spoke at length in favor of both the FASTLANE and TIGER programs. In discussions about a potential \$1 trillion infrastructure program, the witnesses urged inclusion of direct federal investment. They also all agreed that investment in the multimodal system is essential to U.S. competitiveness and were all supportive of investments across the modes to accommodate future freight volume growth which will require flexibility and increased intermodal and multimodal movements. On dock rail and first-and-last mile connections were cited as improvements that will yield greater efficiency. Finally, there was general agreement that while public-private partnerships (P3s) will not work for every transportation project, there is opportunities particularly through a competitive grant program for private sector participation.

Repeal of MPO Rule

On March 29, 2017, the House Transportation and Infrastructure Committee approved a H.R. 1346 repealing a rule issued by the Federal Highway Administration and the Federal Transit Administration requiring Metropolitan Planning Organizations (MPOs) to consolidate in urban areas served by more than one MPO including across state lines. The Senate companion bill, S. 496 by Senator Tammy Duckworth of Illinois has already passed the Senate. The Committee noted that during the public comment period only 16 commenters supported the rule while 299 opposed it. And, while the overwhelming majority of commenters during the public comment period on the draft rule supported the stated purpose of the rulemaking, they did not support the specific requirements and procedures articulated in the proposed rule because it would not strengthen coordination efforts beyond current practices. Shortly after the proposed rule was released by USDOT last year, the Committee issued a bipartisan letter of opposition to the MPO Consolidation Rule, asserting that the rule was an overreach by the Administration, noting that Congress has never mandated that MPOs within the same urbanized area produce a single TIP, long-range plan, or performance targets in any past surface transportation reauthorization bills, including the most recently passed FAST Act.

SCAG sign a joint letter expressing concern with other California MPOs and stakeholders that it was too prescriptive with respect to forced consolidation of MPOs and that greater flexibility should be allowed for local decision making on the question of whether consolidation of any MPOs should occur. The Legislative/Membership and Communications (LCMC) Committee, at its March 21, 2017 meeting, recommended that the Regional Council approve a support position of the Senate companion measure, S. 496, which has passed the Senate and is under consideration by the Regional Council today under separate item.

“America First” Federal Budget

On March 16, 2017, the Trump Administration released a broad outline of its “America First” federal budget, providing a blueprint for policy and program priorities of the 2017-18 fiscal year budget.

With respect to transportation the proposal calls for significant cuts to many transportation and infrastructure programs funded via discretionary budget authority, part of an overall effort to reduce non-defense discretionary spending in 2018 by a total of \$54 billion and increase defense spending by approximately the same amount.

REPORT

In short summary, the proposed "skinny budget" requests \$16.2 billion for USDOT's discretionary budget, a \$2.4 billion or 13 percent decrease from the 2017 annualized level. It would eliminate funding for the unauthorized TIGER discretionary grant program, saving \$499 million from the 2017 level, and would eliminate USDOT's Nationally Significant Freight and Highway Projects grant program, authorized by the FAST Act of 2015, supporting larger highway and multimodal freight projects with demonstrable national or regional benefits, authorized at an annual average of \$900 million through 2020. The budget proposes phasing out the Federal Transit Administration's Capital Investment Grant (New Starts) program after fulfilling the funding obligations for projects with existing, signed funding agreements. The proposal would also eliminate funding for the Essential Air Service (EAS) program which would result in a discretionary savings of \$175 million from the 2017 level.

In May, the White House will release its complete budget proposal, which will include further details and proposed funding levels for other transportation programs. A copy of the blueprint can be obtained at: https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf

ATTACHMENT:

None