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DATE: January 19, 2017

TO: SJVUAPCD Governing Board



FROM: Seyed Sadredin, Executive Director/APCO
Project Coordinator: Tom Jordan

RE: **ITEM NUMBER 10: APPROVE THE DISTRICT'S
2017 LEGISLATIVE PLATFORM**

RECOMMENDATION:

Approve the District's 2017 Legislative Platform.

BACKGROUND:

At the beginning of each year, your Board adopts the District's legislative platform that will guide the District's legislative advocacy efforts. The policy positions outlined in the legislative platform will provide guidance on legislative and regulatory actions, and reflect current priorities involving air quality issues in the San Joaquin Valley. Upon adoption by your Board, the District staff will follow up by meeting with the members of the legislature to distribute the platform and to update them on the Valley's air quality challenges and needs.

The platform contains the District's top legislative priorities for the upcoming legislative session and general principles that will guide the District when taking positions on specific legislative and regulatory proposals. During the past few years, the District has made a concerted effort to inform legislators at both the state and federal level of the air quality challenges that we face, past efforts to reduce air pollution, and the need for additional resources and policy tools to continue to bring cleaner air to Valley residents.

PROPOSED APPROACH RELATING TO FEDERAL MANDATES:

During the last five years, your Board has held a number of public hearings discussing lessons learned from decades of implementing federal mandates under the Clean Air Act and developed policy

positions and recommendations for improvements. These deliberations have guided the District's efforts in pursuing administrative and legislative changes at the federal level. Throughout these efforts, the District has maintained that the Clean Air Act has led to significant improvements in air quality and public health benefits throughout the nation since its adoption over 40 years ago, but we have now reached a point where many well-intentioned provisions are leading to unintended adverse consequences. Remedies pursued by the District have always been designed to retain the core elements of the Clean Air Act that serve to protect public health while streamlining the administrative requirements and ensuring expeditious air quality improvement considering technological and economic feasibility.

Through decades of implementing effective air quality strategies, air pollution from San Joaquin Valley businesses has been reduced by over 80% through an investment of over \$40 billion by regulated sources. The pollution released by industrial facilities, agricultural operations, and cars and trucks are at historical lows for all pollutants. San Joaquin Valley residents' exposure to high smog levels has been reduced by over 90%. Unfortunately, after all this investment and sacrifice, we have reached a point where we cannot attain the federal standards even if we eliminated all Valley businesses, agricultural operations, or trucks traveling through the San Joaquin Valley.

Without administrative and legislative action at the federal level to bring about a commonsense approach that ensures effective and reasonable implementation of the federal clean air mandates, residents in the San Joaquin Valley and other regions in the near future face federal sanctions which will lead to economic devastation. In crafting the District's legislative strategy for the coming year, three options were considered:

Option 1: The key principles guiding the District's legislative efforts in this area have been: first, that the District is willing to continue to promulgate and implement the most effective measures for which it has regulatory authority, and second, that the District should not be penalized if failure to meet attainment deadlines is due to emissions sources outside of its legal jurisdiction. Past efforts to achieve these goals have been focused on legislative changes that fine-tune the Clean Air Act accordingly. A new approach recommended this year is designed to achieve this end goal without the need to amend any of the existing provisions in the Clean Air Act. The option recommended is that an overriding provision be included in federal law to prohibit imposition of federal sanctions on local regions where their inability to attain federal standards is due to pollution from sources outside their regulatory authority.

Option 2: Continue to advocate for Clean Air Act amendments as contained in the District's Clean Air Act Modernization proposal (Attachment B). These minor changes retain the core elements of the Clean Air Act that serve to protect public health while streamlining the administrative requirements and ensuring expeditious air quality improvement considering technological and economic feasibility.

Option 3: With the makeup of the incoming Congress and the new administration, it is expected that legislative proposals will be introduced that will more aggressively amend

the Clean Air Act than otherwise envisioned under Option 1 and 2. The District can join these efforts and attempt to incorporate its Clean Air Act Modernization amendments.

If possible, it is best that the District pursue Option 1 which will satisfy District objectives without having to amend existing provisions in the Clean Air Act. Given the makeup of the incoming Congress and new administration, however, successful pursuit of this option requires formation of a strong bipartisan coalition. This can only happen if we are able to convince environmental groups, that to date have been reluctant to entertain any new approaches to Clean Air Act implementation, to join this effort. Therefore, it is recommended that the District's legislative platform initially list Option 1 as the District's legislative priority and that every attempt be made to form the necessary bipartisan coalition while maintaining the prerogative to pursue Option 2 or 3 as circumstances dictate.

RECOMMENDED LEGISLATIVE PRIORITIES:

A summary of the District's 2017 legislative priorities are as follows:

- 1. (Federal) Fair Application of Clean Air Mandates:** The District has left no stone unturned in promulgating and implementing measures to reduce emissions from sources of air pollution under its regulatory authority. The District has also deployed innovative measures to reduce emissions from mobile and indirect sources of air pollution that fall outside its traditional regulatory authority with stationary sources. We have reached a point where the Valley cannot attain the health based standards established under the Federal Clean Air Act without significant reductions in emissions from mobile sources that fall under federal jurisdiction. With the newly established federal standards many other regions throughout the nation will find themselves in a similar situation.

It is unfair that under the current law, local jurisdictions will be subject to devastating federal sanctions even though failure to attain the standards is due to emissions from sources under federal jurisdiction. These federal sanctions include:

- De facto ban on new and expanding businesses (2:1 offset requirement)
- Loss of federal highway funds (\$2.5 billion and numerous jobs lost in the San Joaquin Valley)
- Federal takeover and loss of local control
- Expensive federal nonattainment penalties

Therefore, the District asks that an overriding provision be included in federal law to prohibit imposition of federal sanctions on local regions where their inability to attain federal standards is due to pollution from sources outside their regulatory authority. This fairness doctrine may be incorporated into federal law through various means without amending the Federal Clean Air Act.

2. **(Federal) National standards for on-road heavy-duty trucks and locomotives under federal jurisdiction:** Despite achieving significant emissions reductions through decades of implementing the most stringent stationary and mobile regulatory control program in the nation, nitrogen oxide (NOx) emissions, the primary precursor for both ozone and fine particulates (PM2.5) in the San Joaquin Valley, must be reduced by an additional 90% in order to attain the latest federal ozone and PM2.5 standards that now encroach on natural background levels. The District has jurisdiction over stationary and area sources, which make up less than 15% of the total NOx emissions inventory. With over 85% of the Valley's remaining ozone and PM2.5 precursor emissions now coming from mobile sources under federal jurisdiction, the Valley cannot reach attainment even if all stationary sources were to be shut down.
3. **(Federal/State) Air Quality Funding:** Increase existing and provide new funding sources for clean air programs that protect public health and ensure attainment of air quality standards. The State Implementation Plans for meeting new federal standards will contain significant reductions from regulatory measures on stationary and mobile sources. However, the needed reductions cannot be obtained expeditiously, prior to the federal attainment deadlines, with regulations alone. To close this gap, the District needs significant additional funding to reduce air pollution through incentive-based measures. Such incentive-based measures will also be needed for source categories where additional EPA regulations are not obtainable and expeditious reduction in emissions can only be achieved through incentives.
4. **(Federal) Exceptional Events:** Under current EPA policy the extreme drought conditions experienced in 2013/14 in the San Joaquin Valley and other regions in California are not eligible to be declared "exceptional events" since stagnation and lack of precipitation are not considered eligible events. Although the policy can be modified through administrative means working with EPA, greater clarity may be necessary through legislative changes. Furthermore, additional legislation might be helpful by requiring exceptional event demonstrations to be based upon established criteria and evidence, allowing for judicial appeals of EPA decisions, and instituting timelines to provide regulatory certainty for the states.
5. **(State) Cap and Trade Revenues:** The cap and trade program implemented by ARB sets up a mechanism by which affected sources can procure allowances or offsets to meet specified and declining caps on their greenhouse gas emissions. In other words, affected sources will be allowed to invest in reductions in other areas as mitigation for their local emissions. This scenario can potentially lead to adverse impacts in areas that are already disproportionately impacted by criteria pollutant emissions. The state allocates these funds to programs across a number of state agencies. The following overarching policies should be applied as the state considers funding projects and programs from the Greenhouse Gas Reduction Fund:

Projects funded with Cap and Trade revenues should achieve greenhouse gas reductions, with priority given to projects that achieve reductions in criteria pollutants as well.

- A.** A portion of Cap and Trade revenues should be directed to projects in areas that are already disproportionately impacted by air pollution.
 - B.** Policies should be put in place to ensure that programs funded with Cap and Trade revenues meet or exceed the provisions of SB 535 that require a minimum of 25% of the Cap and Trade revenue be spent to benefit disadvantaged communities and that 10% of the revenue be spent in those communities. In determining what communities are disadvantaged, the state is required to prioritize communities that face significant environmental challenges as well as economic challenges.
- 6. (State/Federal) Oppose Climate Change Measures that Result in Public Health Detriment Due to Increases in Criteria or Toxic Air Emissions:** Although climate change measures provide for many co-benefits in reducing both greenhouse gasses and criteria pollutant emissions, there are some measures that may lead to increases in criteria pollutant or toxic emissions. Therefore the District will support reasonable climate protection measures that reduce greenhouse gas emissions as well as toxic and criteria pollutants. The District will oppose climate change measures that are detrimental to public health by leading to increases in toxic or criteria pollutant emissions in already impacted areas.
- 7. (State) Support Legislation Extending District's Existing Authority for DMV Fees to Match Applicable Federally Mandated Attainment Deadlines:** The District's current authority relating to DMV fees under California Health and Safety Code Sections 40610 through 40613 sunsets in 2024. The current sunset date was set to correspond to the District's attainment date for the latest ozone standard at the time the enabling legislation was enacted (1997). Since then EPA has adopted more restrictive standards with attainment dates ranging from 2031 through 2037. The Valley cannot reach attainment with regulatory measures alone and incentive-based measures are necessary to ensure expeditious reductions in emissions cost-effectively while investing in the local economy. Therefore, the District supports legislation extending the District's authority to match attainment deadlines for federally mandated health standards for which incentive funding is necessary.
- 8. (State/Federal) Disadvantaged Community Policies:** The San Joaquin Valley is home to a number of disadvantaged communities that deserve care and attention. The District will adhere to the following principles in pursuing efforts to identify and address the needs of these communities:
 - A.** The District will support measures that improve quality of life and economic welfare. In identifying communities of need, both socioeconomic and environmental impacts should be considered. The District supports CalEPA's California Communities Environmental Health Screening tool (CalEnviroScreen) as the appropriate tool for identifying disadvantaged communities.

- B.** The District considers poverty as a key factor contributing to diminished public health and will oppose efforts that lead to “redlining” these communities and inhibit economic growth.
- C.** The District will support efforts to target additional state and federal resources to mitigate issues faced in disadvantaged communities.
- D.** The District will oppose measures that dilute local control by diverting local revenues or the authority over the expenditure of local resources to the state or federal government. Reduced local control will weaken local enforcement programs. Local agencies are better suited to efficiently and effectively identify and address community needs.

9. (State/Federal) Seek funding and other support from the State Air Resources Board and Federal Environmental Protection Agency (EPA) to install and operate additional air quality monitoring instruments throughout San Joaquin Valley:

The District operates one of the most extensive air monitoring networks in the nation. Data from these monitors is utilized to measure progress and assess the need for further reductions needed to attain ambient air quality standards established by EPA. Moreover, the District is also committed to providing accurate and timely air quality information to educate and empower the public to protect themselves during poor air quality episodes. This is accomplished utilizing the air monitoring data through the District's first-in-the-nation Real-Time Air Advisory Network (RAAN).

Installation, operation and maintenance of the Districts air monitoring network is resource intensive. The District's annual operating appropriation for air monitoring is approximately \$2.9 million. The increase in federal mandates relating to air monitoring (more monitors and more labor intensive QA/QC and reporting procedures for existing monitors) combined with the need for more monitoring capabilities to satisfy the District's initiative to provide neighborhood by neighborhood air quality information require additional resources.

- 10. (State/Federal) Support efforts that provide for cost-effective alternatives to open burning of agricultural waste:** In 2003, state law was amended to require the District to the limit open burning of agricultural material in accordance with a phased-in schedule of deadlines. In addition to those requirements, the state law authorizes the District to postpone the burn prohibition dates for specific types of agricultural material if the District makes three specific determinations and the Air Resources Board (ARB) concurs. The determinations are: (1) there are no economically feasible alternatives to open-burning of the specific type of material; (2) open-burning the specific type of material will not cause or substantially contribute to a violation of a National Ambient Air Quality Standard (NAAQS); and (3) there is no long-term federal or state funding commitment for the continued operation of biomass facilities in the Valley or the development of alternatives to burning. Working closely with the stakeholders over the years to identify economically feasible alternatives to open burning of various

agricultural materials, the District has achieved an 80% reduction in agricultural burning.

Given current energy policy in California, biomass power facilities, which are one of the primary alternatives to agricultural burning, are in jeopardy. Many biomass plants in the Valley are nearing the end of their long-term contracts with utilities and find themselves in a position where the power that they provide is not the type of power that utilities are seeking (baseload vs. intermittent) and that the prices being offered for new contracts are too low to support their operations.

The District will support efforts to help level the playing field and provide fair competition between biomass plants and other renewable sources of power. The District will also support research and development of alternatives to the open burning of agricultural waste.

11. **(State/Federal) Technology Advancement:** The San Joaquin Valley Air Basin is classified as an “Extreme” non-attainment area for ozone. This means that that technology does not currently exist to bring the region into attainment of the federal ozone standard. Meeting the newest air quality standards will require transformative measures and technologies to achieve near zero emissions. In order to further develop technology to close the gap in required emissions reductions, the District operates a Technology Advancement Program. Along with its own resources, the District is seeking state and federal assistance to advance technology in the following areas:
 - A. Mobile sources projects that demonstrate zero- or near-zero-emissions solutions to mobile source categories with emphasis on goods and people movement, off-road equipment, or agricultural equipment.
 - B. Renewable energy projects that focus on overcoming the barriers that prevent the use or adoption of zero-emission renewable energy sources or reduce emissions from renewable energy systems to make them cleaner than comparable non-renewable alternatives.
 - C. Waste solutions projects that focus on waste systems or technologies that minimize or eliminate emissions from existing waste management systems and processes, including waste-to-fuel systems, such as dairy digesters and other bio-fuel applications.

12. **(State/Federal) Support adequate resources and policies to reduce the impact of wildfires and their attendant public health impact:** Wildfires result in significant loss of life and property. Air pollution generated from wildfires is enormous and well exceeds the total industrial and mobile source emissions in the San Joaquin Valley. These emissions result in significant adverse public health impacts in the San Joaquin Valley and in many regions throughout California. In the summer of 2008, California experienced a record number of wildfires, and the resulting emissions caused serious

public health impacts and unprecedented levels of PM2.5 and ozone in the San Joaquin Valley and other regions throughout the state. Historically clean rural areas throughout the state and in the San Joaquin Valley experienced their worst air quality in decades, and pollutant levels and the number of daily exceedances of the health-based standards were significantly higher than ever before in recorded history. California experienced record setting drought conditions during the past four years. Due to these conditions, there is a tremendous amount of dead trees and materials that dramatically increase the risk of catastrophic wildfire.

Given the devastating public health impact that the Valley suffers from wildfires, support measures that can help reduce the intensity and frequency of wildfires including those that promote effective and expanded use of prescribed burns and mechanical treatment to reduce fuel build-up, including the following:

- A.** Additional financial and staffing resources for public and private land managers to conduct prescribed burning as an effective means for reducing fuel supplies that lead to large and uncontrollable wildfires.
- B.** When wildfires occur, fighting wildfires should be funded as other natural disasters are funded. Funding should not be diverted from forest management and fuel reduction activities to fight wildfires.
- C.** Lessening or removal of contradictory environmental protection policies that prohibit the use of mechanized methods, or prescribed burning to reduce fuels when those are the only feasible methods available.
- D.** Changes in the federal policies that better incorporate air quality concerns by shifting focus to prescribed burning and employing fire management techniques that reduce air quality impact when wildfires occur.

The final section of the Legislative Platform provides general principles that will guide the District when taking positions on legislative proposals that will impact the District or the ability of the District to achieve its goals. The general principles have been updated to be consistent with the current goals of the District.

FISCAL IMPACT:

Approval of this item will have no impact upon the District's budget.

Attachments:

Attachment A: Draft 2017 Legislative Platform (17 pages)

Attachment B: Federal Clean Air Act Modernization Proposal (8 pages)

San Joaquin Valley Unified Air Pollution Control District
Meeting of the Governing Board
January 19, 2017

APPROVE THE DISTRICT'S 2017 LEGISLATIVE PLATFORM

Attachment A:

2017 Legislative Platform
(17 PAGES)



LEGISLATIVE PLATFORM

2017



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

2017 GOVERNING BOARD ROSTER

Oliver L. Baines, Chair	Councilmember, City of Fresno
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Seyed Sadredin - Executive Director/Air Pollution Control Officer

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TABLE OF CONTENTS

SAN JOAQUIN VALLEY
AIR POLLUTION CONTROL DISTRICT

Jurisdictional Roles	1
2017 Legislative Priorities	2
General Legislative Principles	8

JURISDICTIONAL ROLES

The **San Joaquin Valley Air Pollution Control District (District)** is the local agency in charge of cleaning the air within the eight county region of the San Joaquin Valley (San Joaquin, Stanislaus, Merced, Madera, Fresno, Tulare, Kings, and the valley portion of Kern County). The District has the primary authority in regulating stationary sources of pollution, such as factories, businesses, and industries. Although state and federal laws preempt the District from setting new tailpipe standards for mobile sources of emissions, the District implements indirect source regulations and incentive-based programs to reduce emissions from on-road and off-road sources of air pollution. The primary authority to regulate emissions from mobile sources of air pollution, such as cars and trucks, lies with the state and federal government. In achieving our clean air goals, the District partners with a number of other governmental agencies:

- The **federal government**, primarily through the Environmental Protection Agency (EPA), sets health-based standards for air pollutants. EPA also controls emissions from trucks, trains, planes and boats and oversees state and local actions to improve air quality.
- The **state government**, through the California Air Resources Board (ARB) and the Bureau of Automotive Repair, develops programs to reduce pollution from vehicles and consumer products. The state also oversees the actions of local air districts and city and county agencies.
- **County and city governments** are responsible for land-use planning to address issues such as “urban sprawl” as well as transportation and mass transit planning.

Progress in cleaning our air is often measured in relation to the health-based standards established by the federal government. The state of California also establishes ambient air quality standards that serve as ultimate goals in achieving clean air.

2017 LEGISLATIVE PRIORITIES

The following legislative priorities will provide policy guidance for legislative action and recognize the unique needs of the District during the upcoming legislative session:

1. **(Federal) Fair Application of Clean Air Mandates:** The District has left no stone unturned in promulgating and implementing measures to reduce emissions from sources of air pollution under its regulatory authority. The District has also deployed innovative measures to reduce emissions from mobile and indirect sources of air pollution that fall outside its traditional regulatory authority with stationary sources. We have reached a point where the Valley cannot attain the health based standards established under the Federal Clean Air Act without significant reductions in emissions from mobile sources that fall under federal jurisdiction. With the newly established federal standards many other regions throughout the nation will find themselves in a similar situation.

It is unfair that under the current law, local jurisdictions will be subject to devastating federal sanctions even though failure to attain the standards is due to emissions from sources under federal jurisdiction. These federal sanctions include:

- De facto ban on new and expanding businesses (2:1 offset requirement)
- Loss of federal highway funds (\$2.5 billion and numerous jobs lost in the San Joaquin Valley)
- Federal takeover and loss of local control
- Expensive federal nonattainment penalties

Therefore, the District asks that an overriding provision be included in federal law to prohibit imposition of federal sanctions on local regions where their inability to attain federal standards is due to pollution from sources outside their regulatory authority. This fairness doctrine may be incorporated into federal law through various means without amending the Federal Clean Air Act.

2. **(Federal) National standards for on-road heavy-duty trucks and locomotives under federal jurisdiction:** Despite achieving significant emissions reductions through decades of implementing the most stringent stationary and mobile regulatory control program in the nation, nitrogen oxide (NO_x) emissions, the primary precursor for both ozone and fine particulates (PM_{2.5}) in the San Joaquin Valley, must be reduced by an additional 90% in order to attain the latest federal ozone and PM_{2.5} standards that now encroach on natural background levels. The District has jurisdiction over stationary and area sources, which make up less than 15% of the total NO_x emissions inventory. With over 85% of the Valley's remaining ozone and PM_{2.5} precursor emissions now coming from mobile sources under federal jurisdiction, the Valley cannot reach attainment even if all stationary sources were to be shut down.

3. **(Federal/State) Air Quality Funding:** Increase existing and provide new funding sources for clean air programs that protect public health and ensure attainment of air quality standards. The State Implementation Plans for meeting new federal standards will contain significant reductions from regulatory measures on stationary and mobile sources. However, the needed reductions cannot be obtained expeditiously, prior to the federal attainment deadlines, with regulations alone. To close this gap, the District needs significant additional funding to reduce air pollution through incentive-based measures. Such incentive-based measures will also be needed for source categories where additional EPA regulations are not obtainable and expeditious reduction in emissions can only be achieved through incentives.
4. **(Federal) Exceptional Events:** Under current EPA policy the extreme drought conditions experienced in 2013/14 in the San Joaquin Valley and other regions in California are not eligible to be declared “exceptional events” since stagnation and lack of precipitation are not considered eligible events. Although the policy can be modified through administrative means working with EPA, greater clarity may be necessary through legislative changes. Furthermore, additional legislation might be helpful by requiring exceptional event demonstrations to be based upon established criteria and evidence, allowing for judicial appeals of EPA decisions, and instituting timelines to provide regulatory certainty for the states.
5. **(State) Cap and Trade Revenues:** The cap and trade program implemented by ARB sets up a mechanism by which affected sources can procure allowances or offsets to meet specified and declining caps on their greenhouse gas emissions. In other words, affected sources will be allowed to invest in reductions in other areas as mitigation for their local emissions. This scenario can potentially lead to adverse impacts in areas that are already disproportionately impacted by criteria pollutant emissions. The state allocates these funds to programs across a number of state agencies. The following overarching policies should be applied as the state considers funding projects and programs from the Greenhouse Gas Reduction Fund:

Projects funded with Cap and Trade revenues should achieve greenhouse gas reductions, with priority given to projects that achieve reductions in criteria pollutants as well.

- A. A portion of Cap and Trade revenues should be directed to projects in areas that are already disproportionately impacted by air pollution.
- B. Policies should be put in place to ensure that programs funded with Cap and Trade revenues meet or exceed the provisions of SB 535 that require a minimum of 25% of the Cap and Trade revenue be spent to benefit disadvantaged communities and that 10% of the revenue be spent in those communities. In determining what communities are disadvantaged,

the state is required to prioritize communities that face significant environmental challenges as well as economic challenges.

- 6. (State/Federal) Oppose Climate Change Measures that Result in Public Health Detriment Due to Increases in Criteria or Toxic Air Emissions:** Although climate change measures provide for many co-benefits in reducing both greenhouse gasses and criteria pollutant emissions, there are some measures that may lead to increases in criteria pollutant or toxic emissions. Therefore the District will support reasonable climate protection measures that reduce greenhouse gas emissions as well as toxic and criteria pollutants. The District will oppose climate change measures that are detrimental to public health by leading to increases in toxic or criteria pollutant emissions in already impacted areas.
- 7. (State) Support Legislation Extending District’s Existing Authority for DMV Fees to Match Applicable Federally Mandated Attainment Deadlines:** The District’s current authority relating to DMV fees under California Health and Safety Code Sections 40610 through 40613 sunsets in 2024. The current sunset date was set to correspond to the District’s attainment date for the latest ozone standard at the time the enabling legislation was enacted (1997). Since then EPA has adopted more restrictive standards with attainment dates ranging from 2031 through 2037. The Valley cannot reach attainment with regulatory measures alone and incentive-based measures are necessary to ensure expeditious reductions in emissions cost-effectively while investing in the local economy. Therefore, the District supports legislation extending the District’s authority to match attainment deadlines for federally mandated health standards for which incentive funding is necessary.
- 8. (State/Federal) Disadvantaged Community Policies:** The San Joaquin Valley is home to a number of disadvantaged communities that deserve care and attention. The District will adhere to the following principles in pursuing efforts to identify and address the needs of these communities:

 - A.** The District will support measures that improve quality of life and economic welfare. In identifying communities of need, both socioeconomic and environmental impacts should be considered. The District supports CalEPA’s California Communities Environmental Health Screening tool (CalEnviroScreen) as the appropriate tool for identifying disadvantaged communities.
 - B.** The District considers poverty as a key factor contributing to diminished public health and will oppose efforts that lead to “redlining” these communities and inhibit economic growth.
 - C.** The District will support efforts to target additional state and federal resources to mitigate issues faced in disadvantaged communities.

D. The District will oppose measures that dilute local control by diverting local revenues or the authority over the expenditure of local resources to the state or federal government. Reduced local control will weaken local enforcement programs. Local agencies are better suited to efficiently and effectively identify and address community needs.

9. **(State/Federal) Seek funding and other support from the State Air Resources Board and Federal Environmental Protection Agency (EPA) to install and operate additional air quality monitoring instruments throughout San Joaquin Valley:** The District operates one of the most extensive air monitoring networks in the nation. Data from these monitors is utilized to measure progress and assess the need for further reductions needed to attain ambient air quality standards established by EPA. Moreover, the District is also committed to providing accurate and timely air quality information to educate and empower the public to protect themselves during poor air quality episodes. This is accomplished utilizing the air monitoring data through the District's first-in-the-nation Real-Time Air Advisory Network (RAAN).

Installation, operation and maintenance of the District's air monitoring network is resource intensive. The District's annual operating appropriation for air monitoring is approximately \$2.9 million. The increase in federal mandates relating to air monitoring (more monitors and more labor intensive QA/QC and reporting procedures for existing monitors) combined with the need for more monitoring capabilities to satisfy the District's initiative to provide neighborhood by neighborhood air quality information require additional resources.

10. **(State/Federal) Support efforts that provide for cost-effective alternatives to open burning of agricultural waste:** In 2003, state law was amended to require the District to limit open burning of agricultural material in accordance with a phased-in schedule of deadlines. In addition to those requirements, the state law authorizes the District to postpone the burn prohibition dates for specific types of agricultural material if the District makes three specific determinations and the Air Resources Board (ARB) concurs. The determinations are: (1) there are no economically feasible alternatives to open-burning of the specific type of material; (2) open-burning the specific type of material will not cause or substantially contribute to a violation of a National Ambient Air Quality Standard (NAAQS); and (3) there is no long-term federal or state funding commitment for the continued operation of biomass facilities in the Valley or the development of alternatives to burning. Working closely with the stakeholders over the years to identify economically feasible alternatives to open burning of various agricultural materials, the District has achieved an 80% reduction in agricultural burning.

Given current energy policy in California, biomass power facilities, which are one of the primary alternatives to agricultural burning, are in jeopardy. Many biomass plants in the Valley are nearing the end of their long-term contracts with utilities and find themselves in a position where the power that they provide is not the type of power that utilities are seeking (baseload vs. intermittent) and that the prices being offered for new contracts are too low to support their operations.

The District will support efforts to help level the playing field and provide fair competition between biomass plants and other renewable sources of power. The District will also support research and development of alternatives to the open burning of agricultural waste.

- 11. (State/Federal) Technology Advancement:** The San Joaquin Valley Air Basin is classified as an “Extreme” non-attainment area for ozone. This means that that technology does not currently exist to bring the region into attainment of the federal ozone standard. Meeting the newest air quality standards will require transformative measures and technologies to achieve near zero emissions. In order to further develop technology to close the gap in required emissions reductions, the District operates a Technology Advancement Program. Along with its own resources, the District is seeking state and federal assistance to advance technology in the following areas:
 - A.** Mobile sources projects that demonstrate zero- or near-zero-emissions solutions to mobile source categories with emphasis on goods and people movement, off-road equipment, or agricultural equipment.
 - B.** Renewable energy projects that focus on overcoming the barriers that prevent the use or adoption of zero-emission renewable energy sources or reduce emissions from renewable energy systems to make them cleaner than comparable non-renewable alternatives.
 - C.** Waste solutions projects that focus on waste systems or technologies that minimize or eliminate emissions from existing waste management systems and processes, including waste-to-fuel systems, such as dairy digesters and other bio-fuel applications.

- 12. (State/Federal) Support adequate resources and policies to reduce the impact of wildfires and their attendant public health impact:** Wildfires result in significant loss of life and property. Air pollution generated from wildfires is enormous and well exceeds the total industrial and mobile source emissions in the San Joaquin Valley. These emissions result in significant adverse public health impacts in the San Joaquin Valley and in many regions throughout California. In the summer of 2008, California experienced a record number of wildfires, and the resulting emissions caused serious public health impacts and unprecedented levels of PM2.5 and ozone in the San Joaquin Valley and other

regions throughout the state. Historically clean rural areas throughout the state and in the San Joaquin Valley experienced their worst air quality in decades, and pollutant levels and the number of daily exceedances of the health-based standards were significantly higher than ever before in recorded history. California experienced record setting drought conditions during the past four years. Due to these conditions, there is a tremendous amount of dead trees and materials that dramatically increase the risk of catastrophic wildfire.

Given the devastating public health impact that the Valley suffers from wildfires, support measures that can help reduce the intensity and frequency of wildfires including those that promote effective and expanded use of prescribed burns and mechanical treatment to reduce fuel build-up, including the following:

- A.** Additional financial and staffing resources for public and private land managers to conduct prescribed burning as an effective means for reducing fuel supplies that lead to large and uncontrollable wildfires.
- B.** When wildfires occur, fighting wildfires should be funded as other natural disasters are funded. Funding should not be diverted from forest management and fuel reduction activities to fight wildfires.
- C.** Lessening or removal of contradictory environmental protection policies that prohibit the use of mechanized methods, or prescribed burning to reduce fuels when those are the only feasible methods available.
- D.** Changes in the federal policies that better incorporate air quality concerns by shifting focus to prescribed burning and employing fire management techniques that reduce air quality impact when wildfires occur.

GENERAL PRINCIPLES OF THE LEGISLATIVE PLATFORM

The following general principles will provide policy guidance for legislative action:

LOCAL: To fulfill the goals of the District, to maintain the ability to develop and implement control strategies to address stationary and area pollutants, and to achieve ambient air quality standards, the following principles will guide District policy:

1. Support legislation that retains the Governing Board's control over the use of emission reduction credits (ERCs) throughout the Valley.
2. Oppose legislation that usurps the District's authority to determine the cost-effectiveness of proposed District rules.
3. Support legislation that encourages the management of air quality on a regional basis, particularly in the Valley, and not on a statewide basis, in order to assure that local concerns are recognized.
4. Support and actively advocate increases in the District Subvention based on inflation and increased mandates.
5. Support legislation that retains local enforcement and discretionary authority for Notices to Comply/Notices of Violation (NTC/NOV fines, adjudication, etc.).
6. Support legislation that promotes the creation and use of District-operated self-audit and inspection programs. Such legislation will enhance the District's ability to offer incentive-based programs to Valley businesses in ways that do not conflict with state and federal law.
7. Oppose all legislation that transfers any part of local permitting authority to the state or federal governments. Past transfers of the District's permitting authority have proved to prolong the permitting process without any corresponding benefit to air quality.
8. Oppose legislation that limits the District's ability to regulate the installation or utilization of wood-burning fireplaces and wood-burning heaters.

PROPORTIONAL MOBILE AND STATIONARY SOURCE CONTROLS: To achieve emissions reductions that are adequate to attain air quality standards, it is imperative that all sources are adequately controlled according to their contribution the Valley's air quality challenges. In order to achieve this objective, the following principles will guide District policy.

1. Continue to support legislation that requires the US EPA to develop and implement programs that effectively and efficiently control interstate mobile sources including, but not limited to, trains, trucks, boats, and planes. Support federal actions that will provide cleaner operating vehicles. Support legislation that requires improved emission standards for buses.
2. Support legislation that requires federal sources, including trains, trucks and ships, to contribute their "fair share" of the emission reductions required for attainment of air quality standards in the San Joaquin Valley. This would include mitigating emissions associated with the implementation of the North American Free Trade Agreement, requiring more stringent controls on locomotives, and reducing emissions from ships while they are in port.

STATE/FEDERAL: To support state and federal means of addressing, without duplication, the need for better air quality in the San Joaquin Valley, and to support state and federal actions that are effective and economically feasible, the following principles will guide District policy:

1. Support state and federal legislation that would preserve and enhance the ability of local governments to adequately finance mandated and essential services.
2. Support federal legislation or regulations that alleviate administrative burdens that are unnecessary for the protection of air quality, associated with permitting requirements.
3. Support legislation to streamline the permitting process at the local level that is efficient and effective. Oppose legislation that negatively affects the District's ability to protect and improve air quality.
4. Support legislation to reduce the duplicative oversight responsibilities of state agencies and boards vis a vis the regional air districts.
5. Support legislation that eliminates duplication between state and federal air quality agencies. Allow a single permit system that satisfies both state and federal regulations. California has the strictest air quality standards in the country. Federal duplication only hinders business and does not improve air quality.

6. Sponsor or support legislative options that would increase funding to the District to develop Valley-specific options for attainment.
7. Support legislation that promotes energy conservation and efficiency programs for energy end-users. Reduced energy use will result in lower pollutant emissions and a more stable electrical distribution system.
8. Support legislation that allows “net metering” or feed in tariffs for alternative energy projects.
9. Support legislation that encourages low-emission utilization of waste gas as an alternative to waste gas venting or flaring.
10. Seek adequate funding from ARB and EPA to implement state and federal air quality mandates.
11. Oppose efforts to allow the sale and use of safe and sane fireworks outside of the period surrounding the 4th of July.
12. The District supports the establishment of an Air Quality and Health Empowerment Zone Designation that would provide financial assistance to regions that have significant air quality, health, and economic challenges. This new program would provide financial assistance for incentive programs in areas that face significant air quality, health, and economic challenges. Given the Valley’s air quality challenges and continued double digit unemployment rates, the Valley would be a prime candidate for designation under this new program. The program would provide a mechanism for ongoing appropriations for incentive programs to accelerate the introduction of new emissions reduction technologies.

MOBILE SOURCE AND TRANSPORTATION: To address issues dealing with mobile source reductions and transportation alternatives; to achieve mobile source reductions in addition to those currently approved in air attainment plans; to create market-based incentives for mobile source emissions; and to encourage and promote public transportation improvements; the following principles will guide District policy:

1. Support funding for mobile source reductions.
2. Support legislation that provides options for local air districts for pilot incentives to reduce mobile source emissions.
3. Support state and federal legislation and regulations to further promote cost-effective and clearly defined strategies associated with vehicle

emission reductions and effective statewide vehicle Inspection & Maintenance programs.

4. Support legislation to assist regional transportation authorities' efforts for multi-modal transit systems that ensure ongoing growth in ridership by promoting and encouraging maximum public use.
5. Support measures that will improve the efficiency and effectiveness of the smog check program including reducing testing cost, better mechanisms to identify high emitters, and enhanced oversight of the smog-check stations.
6. Support legislation and efforts to enhance interregional transit options that provide an alternative to driving. This should include options for the movement of both people and goods within the San Joaquin Valley and to adjacent regions.
7. Oppose legislation that restricts the District's use of Governing Board-authorized funds for cost effective emission control projects.
8. Support legislation that simplifies Transportation Conformity compliance and synchronizes conformity related transportation planning requirements with air quality planning requirements and deadlines.
9. Support legislation that puts organizational structures in place that facilitate inter-regional and intra-regional solutions for the efficient movement of people and goods through the San Joaquin Valley utilizing a variety of transportation modes.
10. Support air quality funding and programs in the federal transportation bill re-authorization. The following are general principles to guide the District during the development of federal surface transportation reauthorization legislation.
 - a. Transportation Sources and Air Pollution-Provisions should be included which improve air quality and reduce health impacts on the public.
 - b. Congestion Relief and Air Quality-Transportation projects designed to reduce congestion must also be designed to help improve air quality.
 - c. Projects with Specific Air Quality Benefits-Programs in the bill should ensure that a sizeable portion of federal transportation funds should be reserved for purposes that are designed to substantially reduce air pollution in the transportation sector.

- d. Conformity Provisions Must Be Strengthened-Efforts should be made to strengthen existing “transportation conformity” requirements so they implement all feasible emission reductions and achieve the reductions needed for long-term air quality attainment.
- e. Funded Projects Should Achieve Emissions Benefits Commensurate with Regional Air Quality Needs -Pollution reductions should be sufficient so that the transportation sector contributes its fair share to timely attainment of National Ambient Air Quality Standards. Needed emission control actions may vary by area with the most aggressive emission controls required in areas with the most difficult attainment challenges.
- f. Urge Zero-Emission Technologies in “Extreme” Ozone Nonattainment Areas-Due to the large additional emission reductions needed in Extreme Ozone nonattainment areas, programs should be established for projects that utilize zero emission technologies, including, but not limited to, electrification.
- g. GHG Emissions and Criteria Pollutants-Projects that reduce or offset greenhouse gas emissions, or contribute to a set-aside-fund for GHG reduction, should be included and efforts to reduce greenhouse gas emission levels should be undertaken in concert with efforts to reduce criteria and toxic pollutants. Actions to produce GHG offsets should not result in greater emissions of toxic or criteria pollutants.
- h. Authorize Projects Reducing Emissions-Priority consideration should be made to authorize funding for projects that support the long-term attainment needs of an area, including, but not limited to programs that
 - include or facilitate the use of public transit and efficient rail,
 - are built with the cleanest construction equipment available, and
 - include the use of low-emission equipment where state and local governments would be preempted from requiring emission controls.
- i. Funding Requirements-Programs that achieve transportation goals should be designed with requirements, conditions, or even mandates that ensure that projects funded through those programs achieve documented air quality benefits.

- j. Funding sources-Alternative and creative sources of funding which increase the amount of funds allocated for surface transportation and/or air quality should be encouraged.
- k. Air Quality Agency Participation in Decision Making Process- Decisions to fund projects or programs should be made with involvement by state air quality agencies or, in states which have local air quality agencies, by such local agencies and such funding must be consistent with the respective State Implementation Plan. At a minimum, air agencies should approve emissions impact estimates and determine compliance with air quality funding criteria, such as those specified above.
- l. Increase Maximum Truck Weight Limit-The District supports increasing the federal truck weight limit to 97,000 provided any potential safety and highway maintenance issues are addressed.

ALTERNATIVE COMPLIANCE OPTIONS: To have the ability to provide for compliance flexibility when dealing with businesses addressing air quality rules and regulations, and to ensure that alternative compliance options provide adequate measures to at least meet the required emission reductions necessary, the following principles will guide District policy:

1. Support legislation that provides for market-based incentives that achieve equivalent reduction in air emissions in a more cost-effective fashion.
2. Oppose legislation that diminishes the District's ability to write permits that are practical and enforceable.
3. Support legislation that would prohibit an increase in assessed property value for new equipment installed solely for the purpose of meeting the requirements of District Rules and Regulations.
4. Support legislation that encourages the generation of mobile source emission reduction credits.

TOXIC AIR EMISSIONS: To ensure the protection of public health and to minimize exposure to significant toxic pollutants, the following principles will guide District policy:

1. Oppose legislation that results in the release of cancer-causing and other toxic emissions in quantities that pose significant risks to public health.
2. Support legislation that upholds the requirement for public notification when significant toxic pollutants are located in close proximity to a given neighborhood.

3. Support legislation that allows for the integration of state and federal air toxic mandates while protecting public health.
4. Support legislation that calls for cleaner-burning alternative fuels.
5. Support measures that result in early risk reduction without costly and unnecessary risk assessment work.

San Joaquin Valley Unified Air Pollution Control District
Meeting of the Governing Board
January 19, 2017

APPROVE THE DISTRICT'S 2017 LEGISLATIVE PLATFORM

Attachment B:

Federal Clean Air Act Modernization Proposal
(8 PAGES)

Federal Clean Air Act Modernization Proposal

Since its adoption, the Clean Air Act has led to significant improvements in air quality and public health benefits throughout the nation. In many areas of the nation, air pollution levels have been reduced to historical lows. We support the well-intentioned concepts in the Clean Air Act that call for routine review of health-based air quality standards, clean air objectives that are technology-forcing, and clean-air deadlines that ensure expeditious clean-up and timely action.

The Clean Air Act was last amended in 1990. Over the last 25 years, local, state, and federal agencies and affected stakeholders have learned important lessons from implementing the law and it is clear now that a number of well-intentioned provisions in the Act are leading to unintended consequences. This experience can inform efforts to enhance the Clean Air Act with much needed modernization. The following proposal is designed to provide specific language aimed at improving the Act's effectiveness and efficiency.

1. PROBLEM: Since the 1970's, EPA has established numerous ambient air quality standards for individual pollutants. We have now reached a point where various regions throughout the nation are subject to multiple iterations of standards for a single pollutant. For instance, there are currently 4 pending standards for ozone and 4 pending standards for PM2.5. Each of these standards requires a separate attainment plan which leads to multiple overlapping requirements and deadlines. This in turn results in a great deal of confusion, costly bureaucracy, and duplicative regulations, all without corresponding public health benefits.

SOLUTION: When a new standard is published, the old standard for that pollutant should be subsumed. States should be allowed to develop a single attainment plan that harmonizes increments of progress and other milestones without allowing for any rollback or backsliding.

PROPOSED AMENDMENTS: To avoid duplicative requirements and confusion, the RFP milestones must be synchronized when a new standard is published, for any region with a pending implementation plan for an older version of the standard for that pollutant. Towards that end, the first RFP milestone for the new standard should be aligned with the next required milestone for the old standard. The reductions required for aligned milestones shall be either 3 percent of the baseline for the new standard or the RFP emission reduction targets established under the existing plan, whichever is greater.

For ozone, add new subsection 182(k) as follows:

(k) RFP Milestone Alignment for Areas with Pending Attainment Plans

Notwithstanding any other provisions of this section, the RFP milestones and emission reduction targets in areas that have submitted a plan to the Administrator for the older version of a standard for the same pollutant being addressed by a new standard shall be set as follows:

The first RFP milestone for the new standard shall be set at the next RFP milestone date for the existing standard addressed in the current plan. Subsequent milestones will be every three years from the first milestone until attainment. The reductions required at the aligned milestones that address more than one standard shall be either 3 percent of the baseline for the new standard or the RFP emission reduction targets established under the current plan for the older standard, whichever is greater.

For particulates, add new subsection 189(c)(4) as follows:

(4) RFP Milestone Alignment for Areas with Pending Attainment Plans

Notwithstanding any other provisions of this section, the RFP milestones and emission reduction targets in areas that have submitted a plan to the Administrator for the older version of a standard for the same pollutant being addressed by a new standard shall be set as follows:

The first RFP milestone for the new standard shall be set at the next RFP milestone date for the existing standard addressed in the current plan. Subsequent milestones will be every three years from the first milestone until attainment. The reductions required at the aligned milestones that address more than one standard shall be either those required for the new standard or the RFP emission reduction targets established under the current plan for the older standard, whichever is greater.

2. PROBLEM: Mobile and stationary sources throughout the nation have now been subject to multiple generations of technology forcing regulations that have achieved significant air quality benefits. Meeting the new standards that approach background concentrations call for transformative measures that require time to develop and implement. These transformative measures require new technologies that in many cases are not yet commercially available or even conceived. The formula-based deadlines and milestones that were prescribed in the Act 25 years ago now lead to mandates that are impossible to meet.

SOLUTION: In establishing deadlines and milestones, the Act should be amended to require control measures that lead to the most expeditious attainment of health based standards while taking into account technological and economic feasibility. These deadlines and milestones should also consider background pollution concentrations and

the region's geography, topography, and meteorology that affect pollutant formation and dispersion.

PROPOSED AMENDMENTS:

In relation to RFP targets for ozone, amend subsection 182(b)(1)(A)(ii)(III) as follows:

the plan reflecting a lesser percentage than 15 percent includes all measures that can feasibly be implemented in the area, in light of technological achievability and economic feasibility.

In relation to RFP targets for ozone, amend subsection 182(c)(2)(B)(ii) as follows:

an amount less than 3 percent of such baseline emissions each year, if the State demonstrates to the satisfaction of the Administrator that the plan reflecting such lesser amount includes all measures that can feasibly be implemented in the area, in light of technological achievability and economic feasibility.

In relation to RFP targets for ozone, amend subsection 182(e) as follows:

Each State in which all or part of an Extreme Area is located shall, with respect to the Extreme Area, make the submissions described under subsection (d) of this section (relating to Severe Areas), and shall also submit the revisions to the applicable implementation plan (including the plan items) described under this subsection. ~~The provisions of clause (ii) of subsection (c)(2)(B) of this section (relating to reductions of less than 3 percent),~~ ~~†The provisions of paragraphs [6] (6), (7) and (8) of subsection (c) of this section (relating to de minimus [7] rule and modification of sources), and the provisions of clause (ii) of subsection (b)(1)(A) of this section (relating to reductions of less than 15 percent)~~ shall not apply in the case of an Extreme Area. For any Extreme Area, the terms "major source" and "major stationary source" includes [8] (in addition to the sources described in section 7602 of this title) any stationary source or group of sources located within a contiguous area and under common control that emits, or has the potential to emit, at least 10 tons per year of volatile organic compounds.

In relation to RFP targets for particulates, amend subsection 189(c)(1) as follows:

Plan revisions demonstrating attainment submitted to the Administrator for approval under this subpart shall contain quantitative milestones which are to be achieved every 3 years until the area is redesignated attainment and which demonstrate reasonable further progress, as defined in section 7501(1) of this title, and which take into account technological achievability and economic feasibility, toward attainment by the applicable date.

In relation to the attainment deadlines for ozone:

Amend section 181(a) by adding the following new subsection 181(a)(6):

Notwithstanding table 1, if an area is already classified as extreme for an existing standard, then the area shall be classified as extreme at the time of designation for the new standard.

Amend section 181(a) by amending table 1 as follows:

TABLE 1

Area class	Design value*	Primary standard attainment date**
Marginal	0.121 up to 0.138	3 years after November 15, 1990
Moderate	0.138 up to 0.160	6 years after November 15, 1990
Serious	0.160 up to 0.180	9 years after November 15, 1990
Severe	0.180 up to 0.280	15 years after November 15, 1990
Extreme	0.280 and above	20 years after November 15, 1990 <u>As prescribed in section 181(a)(7)</u>

Amend section 181(a) by adding the following new subsection 181(a)(7):

Areas shall attain the standard as expeditiously as possible with the most effective measures that take into account technological achievability and economic feasibility. The area shall quantify reductions needed to achieve attainment consistent with section 182(e)(5). Every 5 years after the plan is approved by the Administrator, the area shall demonstrate that all measures that are technologically achievable and economically feasible are implemented or will be included in the plan to ensure expeditious implementation. The plan shall also include measures for advancing the development and deployment of new technologies.

Amend section 182(e)(5) as follows:

(5) New technologies

The Administrator may, in accordance with section 7410 of this title, approve provisions of an implementation plan for an Extreme Area which anticipate development of new control techniques or improvement of existing control technologies, and an attainment demonstration based on such provisions, ~~if the State demonstrates to the satisfaction of the Administrator that~~

~~*(A) such provisions are not necessary to achieve the incremental emission reductions required during the first 10 years after November 15, 1990; and*~~

~~(B)the State has submitted enforceable commitments to develop and adopt contingency measures to be implemented as set forth herein if the anticipated technologies do not achieve planned reductions.~~

~~Such contingency measures shall be submitted to the Administrator no later than 3 years before proposed implementation of the plan provisions and approved or disapproved by the Administrator in accordance with section 7410 of this title. The contingency measures shall be adequate to produce emission reductions sufficient, in conjunction with other approved plan provisions, to achieve the periodic emission reductions required by subsection (b)(1) or (c)(2) of this section and attainment by the applicable dates. If the Administrator determines that an Extreme Area has failed to achieve an emission reduction requirement set forth in subsection (b)(1) or (c)(2) of this section, and that such failure is due in whole or part to an inability to fully implement provisions approved pursuant to this subsection, the Administrator shall require the State to implement the contingency measures to the extent necessary to assure compliance with subsections (b)(1) and (c)(2) of this section.~~

~~Any reference to the term "attainment date" in subsection (b), (c), or (d) of this section which is incorporated by reference into this subsection, shall refer to the attainment date for Extreme Areas.~~

3. PROBLEM: The Act as it relates to the demonstration of Reasonable Further Progress or Rate of Progress treats all precursors the same, regardless of their potency in harming public health or achieving attainment. Driven by a rapidly expanding body of scientific research, there is now a growing recognition within the scientific community that from an exposure perspective, the National Ambient Air Quality Standards metrics for progress are a necessary but increasingly insufficient measure of total public health risk associated with air pollutants. In particular, control strategies for sources of PM2.5 and ozone do not necessarily account for qualitative differences in the nature of their emissions. For PM2.5, toxicity has been shown to vary depending on particle size, chemical species, and surface area. In the case of ozone, differences in the relative potency of ozone precursors, VOCs in particular, is not captured by a strict, mass-based approach to precursor controls.

SOLUTION: The Act should be amended to allow states to focus efforts on meeting new standards in the most expeditious fashion through deployment of scarce resources in a manner that provides the utmost benefit to public health. Towards that end, we recommend a more strategic approach in which public health serves as the key factor in prioritizing control measures, regulated pollutants, and sources of emissions. In establishing Reasonable Further Progress or Rate of Progress, the Act should give a greater weight to pollutants that have greater impact on achieving attainment and improving public health. Additionally, in evaluating Reasonably Available Control Technology (RACT), measures that reduce precursors with more impact on ozone formation should be given higher scores than measures that may reduce greater amounts of less potent ozone precursors.

For example, VOC compounds vary significantly in their contribution to the formation of ozone in the San Joaquin Valley. Similarly, NOx emissions reductions have been demonstrated to be approximately 20 times more effective than VOC emissions reductions in reducing the formation of ozone in the San Joaquin Valley. We therefore recommend that in demonstrating Reasonable Further Progress, EPA allow for an alternative approach that can demonstrate equivalent reductions in ozone concentrations as compared to the straight requirement of 3% per year reduction of VOCs and/or NOx.

PROPOSED AMENDMENTS:

Amend Section 182:

(C) NOx control

The revision may contain, in lieu of the demonstration required under subparagraph (B), a demonstration to the satisfaction of the Administrator that the applicable implementation plan, as revised, provides for reductions of emissions of VOC's and oxides of nitrogen (calculated according to the creditability provisions of subsection (b)(1)(C) and (D) of this section), that would result in a reduction in ozone concentrations at least equivalent to that which would result from the amount of VOC emission reductions required under subparagraph (B). Within 1 year after November 15, 1990, the Administrator shall issue guidance concerning the conditions under which NOx control may be substituted for VOC control or may be combined with VOC control in order to maximize the reduction in ozone air pollution. In accord with such guidance, a lesser percentage of VOCs may be accepted as an adequate demonstration for purposes of this subsection. The Administrator shall allow the use of NOx reductions in lieu of VOC reductions. The credit for NOx reductions shall be weighted in proportion to their effectiveness in reducing ozone concentrations in relation to the effectiveness of VOC reductions as demonstrated by the attainment modeling submitted with the plan.

4. PROBLEM: Requiring contingency measures in extreme nonattainment areas is irrational and unnecessary. The Act requires all attainment plans to include contingency measures, defined as extra control measures that go into effect without further regulatory action, if planned emissions controls fail to reach the goals or targets specified in the attainment plan. While requiring backup measures was a well-intentioned provision, it does not make sense in areas that have been classified as "extreme" non-attainment for ozone. These areas, by definition, have already implemented all available and foreseeable measures and still need a "black box" of future measures to define and employ. The term "black box" refers to reductions that are needed to attain the standard, but technology to achieve such reductions does not yet exist. No measures are held in reserve in areas that are classified as "extreme" non-attainment for ozone. With no stones left unturned in such plans, requiring contingency measures in such areas makes no sense.

SOLUTION: We recommend that the Act be amended to eliminate the requirement for contingency measures in areas classified as “extreme” non-attainment by EPA.

PROPOSED AMENDMENTS:

Add to 172(c)(9) as follows:

(9) Contingency measures

Such plan shall provide for the implementation of specific measures to be undertaken if the area fails to make reasonable further progress, or to attain the national primary ambient air quality standard by the attainment date applicable under this part. Such measures shall be included in the plan revision as contingency measures to take effect in any such case without further action by the State or the Administrator.

Notwithstanding this or other sections, contingency measures shall not be required for extreme ozone nonattainment areas.

5. PROBLEM: The Act requirements for severe and extreme ozone nonattainment areas to address vehicle-related emissions growth must be clarified. Section 182(d)(1)(A) requires such areas to develop enforceable transportation control measures (TCMs) and transportation strategies “to offset any growth in emissions from growth in vehicle miles traveled ... and to attain reduction in motor vehicle emissions as necessary.” An area’s vehicle miles traveled (VMT) may increase due to increases in population (i.e., more drivers), people driving further (i.e., sprawl), or increases in pass-through traffic (i.e., goods movement).

Historically, EPA’s section 182(d)(1)(A) approach has allowed the use of vehicle turnover, tailpipe control standards, and the use of alternative fuels to offset the expected increase in VMT. This has allowed for the actual emissions reductions occurring from motor vehicles to be considered in meeting the applicable requirements. A recent Ninth Circuit Court decision, however, has called EPA’s current approach for demonstrating the offsetting of vehicle mile-related emissions growth into question, and has forced EPA to reevaluate its approach. Any change in approach that would require regions to offset vehicle growth regardless of population growth, and without recognition of emission reduction measures such as vehicle turnover and tailpipe control standards, would have a significant impact on many regions’ ability to develop an approvable attainment strategy and, under a strict interpretation, would actually render attainment impossible. Many TCMs and transportation strategies have already been implemented in nonattainment areas, and remaining opportunities are scarce and extremely expensive to implement, with relatively small amounts of emissions reductions available. A less inclusive section 182(d)(1)(A) approach would effectively penalize nonattainment areas for having population growth, and would not give credit to the significant emissions reductions being achieved from motor vehicles.

To illustrate this issue, such an interpretation applied to the District’s 1997 8-hour ozone standard attainment plan would require the elimination of 5.1 million vehicles, while the vehicle population of the Valley is projected to be only 2.6 million vehicles in 2023.

EPA recently established new guidance to address this issue that provides a potential path for reasonably addressing this CAA requirement. However, the path provided under this guidance will undoubtedly be challenged in court as it is utilized by regions like the San Joaquin Valley in the coming years. To provide certainty moving forward, the CAA should be amended to clearly include the methodology for reasonably satisfying this requirement.

SOLUTION: The Act should be amended to allow states to take credit for all transportation control measures and strategies and not punish areas that have implemented transportation control measures and strategies that have achieved early reductions in emissions.

PROPOSED AMENDMENTS:

(1) Vehicle miles traveled

(A) Within 2 years after November 15, 1990, the State shall submit a revision that identifies and adopts specific enforceable transportation control strategies and transportation control measures to offset any growth in emissions from growth in vehicle miles traveled or numbers of vehicle trips in such area and to attain reduction in motor vehicle emissions as necessary, in combination with other emission reduction requirements of this subpart, to comply with the requirements of subsection [5] (b)(2)(B) and (c)(2)(B) of this section (pertaining to periodic emissions reduction requirements). The State shall consider measures specified in section 7408(f) of this title, and choose from among and implement such measures as necessary to demonstrate attainment with the national ambient air quality standards; in considering such measures, the State should ensure adequate access to downtown, other commercial, and residential areas and should avoid measures that increase or relocate emissions and congestion rather than reduce them. As new ozone standards are established, for areas that have implemented early transportation control strategies and transportation control measures, the baseline for demonstrating compliance under this subsection shall remain fixed at 1990 independent of the baseline date for the new plan.