



# Clean Transportation Policy Update

November 17, 2011 – February 15, 2012

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## Key State Activities

### ADMINISTRATION ACTIVITIES

#### **GOVERNOR UNVEILS 2012-13 BUDGET –AIR QUALITY HIGHLIGHTS AND TRANSPORTATION HIGHLIGHTS**

On January 5, Governor Brown released his 2012-13 budget. The proposal is designed to address a projected \$9.2 billion deficit over the next 18 months.

State air quality programs are funded through fees rather than through the General Fund; therefore, the budget does not include any significant changes to these types of programs. However, the budget does propose a framework to invest proceeds from the Cap and Trade program. The fees will be deposited into the Greenhouse Gas Reduction Account within the Air Pollution Control Fund. Because actual revenues cannot be certified until late 2012-13, the budget does not include specific expenditures; however proposed investments in the following areas include:

- *Clean and efficient energy – funding to reduce emissions through energy efficiency, clean and renewable distributed energy generation, and other related actions, including at public universities, state and local public buildings, and industrial and manufacturing facilities*
- *Low-carbon transportation – funding to reduce emissions through the development of state-of-the-art systems to move goods and freight, deploy advanced technology vehicles and vehicle infrastructure, advanced biofuels, and low-carbon and efficient public transportation*
- *Natural resource protection – funding to reduce emissions associated with water use and supply, land and natural resource conservation and management, and sustainable agriculture*
- *Sustainable infrastructure development – funding to reduce emissions through strategic planning of major infrastructure including transportation and housing*

With respect to transportation funding, the budget would transfer \$349.5 million in weight fee revenues imposed on commercial trucks to the General Fund. The budget also proposes a reduction of \$3.7 million to the mass transportation program, reflecting a reduction in



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staff due to the decreased workload from Public Transportation Account capital projects, since funding has been cut here over the years.

Additionally, the Governor has proposed restructuring the Business, Transportation, and Housing Agency. Under his proposal, the Housing and Community Development would be housed in the newly formed Business and Consumer Services Agency, merging it with the current State and Consumer Services Agency. The new Transportation Agency would focus and consolidate transportation functions into one agency and would include Caltrans, the California Department of Motor Vehicles, High-Speed Rail Authority, California Highway Patrol, California Transportation Commission, and the Board of Pilot Commissioners. Some believe that separating transportation and housing could impact SB 375 implementation, which works to align these two arenas by forcing MPOs to go to multiple state agencies when working on SB 375 issues. The Governor's revised budget will be available in mid-May.

The proposed budget can be found at  
<http://www.ebudget.ca.gov/home.htm>

## REGULATORY ACTIVITIES

### ADVANCED CLEAN CARS REGULATIONS APPROVED

On January 27, the California Air Resources Board (ARB) unanimously approved the Advanced Clean Cars rules. The package of regulations will reduce pollution and greenhouse gas emissions from model year 2017 through 2025 passenger cars and light trucks and ensure that the adequate alternative fuel infrastructure is available. Specifically, the Advanced Clean Cars program is composed of four separate but related components: the greenhouse gas standard for cars and light trucks, which was developed in tandem with the federal government; the smog standard, which will reduce tailpipe pollution by an additional 75 percent from 2014 levels; a zero-emission vehicle (ZEV) rule, which will result in more than 1.4 million ZEVs on the road by 2025 (15.4 percent of new vehicle sales in that year); and a Clean Fuels Outlet rule, which is designed to support the commercialization of zero-emission hydrogen fuel cell vehicles by providing an adequate supply of hydrogen fueling infrastructure.

A summary of the Advanced Clean Cars regulations can be found at  
[http://www.arb.ca.gov/msprog/clean\\_cars/acc%20summary-final.pdf](http://www.arb.ca.gov/msprog/clean_cars/acc%20summary-final.pdf)

## ARB ADOPTS UPDATES TO LOW CARBON FUEL STANDARD

At its December 16 meeting, ARB approved several changes to the Low Carbon Fuel Standard (LCFS) to streamline procedures and clarify language. The LCFS is designed to reduce GHG emissions from transportation fuels 10 percent by 2020. One key amendment will improve how the regulation accounts for the carbon intensity of crude oils. The proposed amendments require that the carbon intensity of crudes be fully accounted for just like other fuels under the program. The provision also incentivizes innovation by providing credits for specific actions to reduce the carbon intensity of crude oil. The amendments also clarify which regulated parties (e.g., residential, public access or business/fleet operator private charging) receive low carbon fuel credits for the electricity used to charge electric vehicles.

Regulated facilities began operating under the LCFS in April of 2010. CARB estimates that the standard will achieve 15 million metric tons of GHG reductions by 2020. The standard is also expected to lead to replacement of the equivalent of up to four billion gallons of gasoline by then. The LCFS is designed to work with California's new cap and trade program and the upcoming Advanced Clean Car regulations to reduce GHG emissions now, and for decades into the future. However, a recent court ruling has put enforcement of the LCFS on hold (see more below), including enforcement of these newly adopted changes.

To see ARB's supplemental regulatory advisory on the LCFS and the court's ruling, please visit

<http://www.arb.ca.gov/fuels/lcfs/123111lcfs-rep-adv.pdf>

## AMENDMENTS TO TRUCK AND BUS REGULATION; REPORTING DEADLINE EXTENDED

In September, ARB approved amendments to the Truck and Bus Regulation which are now in effect. By January 1, 2012, fleets with GVWR of more than 26,000 pounds must either: follow a staggered implementation schedule that requires 1996-1999 model year engines be retrofitted with ARB verified PM filters; or use a flexible phase-in option that requires 30 percent of the heavier vehicles in the fleet be equipped with a PM filter (either a retrofitted verified PM filter or an original equipment PM filter installed on a 2007 or later model year vehicle). There are no PM filter requirements for trucks with a GVWR of between 14,000 and 26,000 pounds until 2015, or for small fleets with between one to three trucks until 2014. Online reporting for the Truck and Bus Regulation was due on January 31, but has been extended to March 30 to give fleet owners more time to submit their fleet information.

For more information, please visit

<http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>

**LOWER-EMISSION SCHOOL BUS PROGRAM GUIDELINE REVISIONS**

On December 20, ARB distributed a mail-out to provide guidance to air districts and public school districts participating in the Lower-Emission School Bus Program. It incorporates recently chaptered legislation AB 462 (Lowenthal) and AB 470 (Halderman) [authorizing vehicle registration fees to be allocated to pay for the replacement of natural gas tanks on older school buses or for retrofit emissions control equipment for existing school buses]. The mail-out also provides the emission criteria for calendar year 2012 replacement contracts, clarifies tracking and reporting requirements of earned interest, clarify cost-caps, and corrects School Bus Program Advisory 08-001.

To read the mail-out, please visit

<http://www.arb.ca.gov/msprog/mailouts/msc1137/msc1137.pdf>

**TRANSIT AGENCY FLEET RULE REPORTING**

The annual online reporting for transit agencies urban buses and transit fleet vehicles was due on January 31. The Fleet Rule for Transit Agencies requires agencies to reduce both diesel PM and NOx through the use of alternative fuels and Best Available Control Technology.

For more information, please visit

<http://www.arb.ca.gov/msprog/bus/bus.htm>

**NEXT ARB MEETING SET FOR MARCH**

The February Board meeting has been cancelled. ARB's next Board meeting will take place on March 22 and 23 in Sacramento.

**FUNDING ACTIVITIES****ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM ACTIVITIES**

The California Energy Commission (CEC) is currently accepting comments on developing the 2012-2013 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program. The Investment Plan serves as the guidance document for the program's annual investment of approximately \$100 million for fuel and vehicle technology projects that will help California meet its climate change and alternative fuel goals. Public meetings also will be held to receive stakeholder input during the

development process, including a workshop that was held on February 10. For more information, please visit

<http://www.energy.ca.gov/2011-ALT-1/background.html>

The CEC also released its solicitation for Buy-Down Incentives for Natural Gas and Propane Vehicles for original equipment manufacturers under the Alternative and Renewable Fuel and Vehicle Technology Program. The \$12.7 million solicitation is offering funding for light- medium- and heavy-duty natural gas and propane vehicles, as well as propane school buses to buy down or reduce the purchase or lease prices of eligible vehicles. The CEC began accepting reservations on February 8, and will close on April 1, 2014 or when available funds are exhausted. The solicitation can be found at

<http://www.energy.ca.gov/contracts/transportation.html#incentives>

On December 14, the CEC staff released its draft “Benefits Report for the Alternative and Renewable Fuel and Vehicle Technology Program,” which summarizes and evaluates the program in support of the Integrated Energy Policy Report process. The report includes a summary of the projects funded by the program, as well as the potential benefits of the fuels and vehicle types supported by these projects. An Advisory Committee meeting and public workshop was held on the report on December 19 to discuss the evaluation of the benefits of the program. The report can be found at

<http://www.energy.ca.gov/2011publications/CEC-600-2011-008/CEC-600-2011-008-SD.pdf>

### **2012-13 AIR QUALITY IMPROVEMENT PROGRAM FUNDING PLAN WORKSHOP HELD**

On February 2, ARB held a public workshop on the FY 2012-13 AB 118 Air Quality Improvement Program (AQIP) Funding Plan. The \$30-40 million dollar per year program funds a variety of air quality incentive projects, including low-emission vehicle and equipment projects, air quality research, and advanced energy technology workforce training. ARB staff held the workshop to receive public input to evaluate the project categories and to evaluate potential funding of new categories. ARB is scheduled to consider the plan in early summer 2012.

More information can be found at

<http://www.arb.ca.gov/msprog/aqip/fundplan/fundplan.htm>

### **HYBRID TRUCK AND BUS VOUCHER INCENTIVE PROJECT SOLICITATION**

On November 23, ARB released its grant solicitation for the FY 2011-12 Air Quality Improvement Program Hybrid Truck and Bus Voucher Incentive Project. The program has \$11 million available for projects that accelerate the deployment of advanced technology hybrid and zero-emission trucks

and buses by providing vouchers for the purchase of eligible new vehicles. Individuals, federal, state and local government entities and agencies, and organizations with heavy-duty vehicle, vehicle incentive, or air quality expertise are eligible to apply. Applications were due on January 16.

More information about the project can be found at  
<http://www.arb.ca.gov/msprog/aqip/hvip.htm>

## RESEARCH ACTIVITIES

### THREE STUDIES LINK PM TO HEALTH RISKS

Three new studies commissioned by ARB show that exposure to airborne fine-particulate matter significantly increases the risk for premature heart disease in older adults and increases the incidence of strokes in post-menopausal women. The study “Spatiotemporal Analysis of Air Pollution and Mortality in California Based on the American Cancer Society Cohort” found that exposure to fine PM significantly elevated the risks for premature death from heart disease. The report “Extended Air Pollution and Cardiovascular Disease in the California Teachers Study Cohort” examined the effects of chronic air pollution exposure on heart disease in women. Results showed that exposure to PM<sub>2.5</sub> elevated the risks for premature mortality from heart disease and increased the risk of stroke among women who had never had one before, particularly women who were post-menopausal. The third study “Systemic Platelet Activation in Mice Exposed to Fine Particulate Matter” found that mice exposed to fine PM showed platelet activation, which could promote clotting and lead to stroke and heart attacks.

The reports can be found at  
[http://www.arb.ca.gov/research/single-project.php?row\\_id=64805](http://www.arb.ca.gov/research/single-project.php?row_id=64805)  
[http://www.arb.ca.gov/research/single-project.php?row\\_id=64806](http://www.arb.ca.gov/research/single-project.php?row_id=64806)  
[http://www.arb.ca.gov/research/single-project.php?row\\_id=64824](http://www.arb.ca.gov/research/single-project.php?row_id=64824)

### NEW REPORT EXAMINES STATE’S FIRST SUSTAINABLE COMMUNITIES STRATEGY

On December 1, ClimatePlan released a report titled “San Diego and SB 375: Lessons from California’s First Sustainable Communities Strategy,” which looks at the SCS plan approved by the San Diego Association of Governments (SANDAG) in October. The authors analyze why the SCS did not achieve the GHG reductions hoped for and provides information on ways in which the plan represents a departure from “business-as-usual” and where opportunities exist for improvement. The report also describes some of the best practices and important lessons that the authors hope will inform

other metropolitan planning organizations as they develop their own SCSs

The report can be found at

[http://www.climateplan.org/wp-content/uploads/2011/12/SD\\_and\\_sb375-final-Dec51.pdf](http://www.climateplan.org/wp-content/uploads/2011/12/SD_and_sb375-final-Dec51.pdf)

### **REPORT SHOWS L.A. HAS SOME OF THE MOST CONGESTED ROADWAYS IN U.S.**

In mid-November, The Texas Transportation Institute released a report titled “2011 Congested Corridors Report” which shows that the Los Angeles region is home to 7 of the top 10 most congested roadways in the nation. The delay on these corridors amounted to more than 38 million gallons of fuel wasted and a cost of nearly \$1 billion in 2010 (congestion cost was calculated by adding the value of travel time delay and excess fuel consumption). The highest ranked corridor for delay per mile was the northbound Harbor Freeway from I-10 to Stadium Way. The most wasted fuel and highest congestion cost was found on the southbound 101 Freeway between Ventura Boulevard and Vignes Street. The report looked at congestion problems in 328 seriously congested corridors across the U.S, which accounts for only six percent of the urban freeway lane-miles, over a variety of times during the day.

For more information, please visit

<http://mobility.tamu.edu/corridors/>

## **LEGAL ACTIVITIES**

### **FEDERAL COURT RULING PUTS LCFS ON HOLD**

On December 29, U.S. District Judge Lawrence O’Neill ruled that California’s LCFS violated the U.S. Commerce Clause and halted enforcement of the rule. He found that the state’s efforts to control the types of fuels being imported into California infringed on Congress’ authority to regulate interstate commerce by discriminating against out-of-state fuel producers and regulating activities that take place entirely outside of California’s borders. The Judge has not issued a final decision on the case, but his ruling bars California from enforcing the LCFS while the lawsuit proceeds.

ARB filed an appeal with the 9th Circuit Court of Appeals on January 5, but stated that it would follow the court’s decision and withhold enforcement of the LCFS requirements as long as the injunction remained in place. In seeking the stay of the preliminary injunction, ARB requested an order that all requirements of the LCFS in 2011 and 2012 be enforceable for the entire period. This means that to the extent that existing guidance issued by ARB

is expiring, or the Board or stakeholders have requested modifications to or guidance about the regulation, ARB will continue its stakeholder and rulemaking process. On January 20, ARB filed a request with the District Court Judge to lift the injunction against the LCFS saying that some out-of-state ethanol producers received lower carbon footprint scores than in-state producers, so the LCFS does not violate the Commerce Clause, and that halting the regulation would cause harm to several biofuel companies that have already invested time and resources to prepare to enter the California market and would damage the fledgling biofuels market. The Judge denied the motion to stay the injunction on January 23. ARB stated that it would include the request for a stay in its appeal to the 9th Circuit.

### **GROUPS SUE EPA OVER INADEQUATE AIR QUALITY MONITORING**

On January 3, the Natural Resources Defense Council, Physicians for Social Responsibility-Los Angeles, and Communities for a Better Environment filed suit against the U.S. EPA for failing to provide adequate air quality monitoring for harmful particulate pollution near highways in the Los Angeles region. Plaintiffs allege that EPA violated the Clean Air Act by approving the South Coast AQMD's air quality monitoring plan, effectively allowing AQMD to ignore high levels of air pollution impacting residents living near freeways. The NRDC and other groups have urged that air quality monitors to be placed closer to freeways so that accurate data on emissions levels can be collected.

More information can be found at  
<http://www.nrdc.org/media/2012/120103.asp>

### **JUDGE DISCHARGES WRIT OF MANDATE IN AB 32 LAWSUIT**

On December 5, Superior Court Judge Goldsmith discharged the Peremptory Writ of Mandate which precluded ARB from moving forward with implementation of the Scoping Plan. The judge found that ARB's new analysis complied with state law and therefore ruled that that ARB followed the court's original order to submit a revised Functional Equivalent Document alternatives analysis done in compliance with the California Environmental Quality Act (CEQA). Litigation on the Scoping Plan continues at the appellate level.

## **BALLOT MEASURE TO REPEAL AB 32 CLEARED BY SECRETARY OF STATE**

The California Secretary of State cleared a ballot initiative for circulation that would repeal the California Global Warming Solutions Act (AB 32), the California Environmental Quality Act (CEQA), the California Coastal Act, California Endangered Species Act, and California Sustainable Communities and Climate Protection Act. The initiative also would abolish the California Environmental Protection Agency and state ARB. The initiative needs more than 807,000 signatures by April 19 to qualify for the November ballot.

The initiative can be found at

[http://ag.ca.gov/cms\\_attachments/initiatives/pdfs/i985\\_11-0043\\_\(bill\\_of\\_rights.pdf](http://ag.ca.gov/cms_attachments/initiatives/pdfs/i985_11-0043_(bill_of_rights.pdf)

## **OTHER NEWS**

### **MOVE LA TO HOLD TRANSPORTATION CONFERENCE**

On February 24, Move LA will hold its fourth annual transportation conference titled “LA on the Verge of a Transit Breakthrough,” at Union Station. Discussion topics will include completing the 30-10 plan, new resources for transit, a 2012 transit and transit oriented development legislative agenda, and the future of transit oriented development and lessons learned in the Hollywood neighborhood.

For more information, please visit

<http://www.movela.org/>

### **JANUARY 1st MARKED THE END OF OLDER, POLLUTING TRUCKS AT THE PORTS**

As of January 1, all trucks that do not meet or exceed the 2007 standards are banned from the Ports of Los Angeles and Long Beach, thanks to the Ports’ Clean Truck Program. Since 2008, more than 10,000 older, more polluting trucks have been replaced with newer, less polluting ones. The Clean Truck Program helped the Ports reduce harmful emissions from trucks by at least 80 percent.

For more information, please visit

[http://www.portoflosangeles.org/newsroom/2011\\_releases/news\\_122011\\_clean\\_truck.asp](http://www.portoflosangeles.org/newsroom/2011_releases/news_122011_clean_truck.asp)

and

<http://www.polb.com/news/displaynews.asp?NewsID=949&TargetID=1>

**SAN JOAQUIN VALLEY PHYSICIAN JOINS ARB**

On December 16, Dr. Alexander Sherriffs, a family physician from Fowler, was sworn in as the newest member of the ARB. He will also serve on the San Joaquin Valley Air Pollution Control District (SJVAPCD). He will be the physician appointee to the Board, a position formerly held by Dr. John Telles, who resigned in June.

For more information, please visit

[http://www.arb.ca.gov/newsrel/2011/sherriffs\\_swearing.htm](http://www.arb.ca.gov/newsrel/2011/sherriffs_swearing.htm)

**GOVERNOR HOSTS CLIMATE CHANGE CONFERENCE**

On December 15, Governor Jerry Brown convened key state leaders at the California Academy of Sciences for “The Governor’s Conference on Extreme Climate Risks and California’s Future” to address the threat of extreme climate-related weather events in California on the state’s economy, business sectors, public health and natural resources. The discussion focused on how we can protect California communities from these growing risks and strengthen our economy in the process.

To see video from the conference, please visit

<http://gov.ca.gov/ecrcf.php>

**SCAG RELEASES DRAFT 2012 RTP/SCS**

On December 1, Southern California Association of Governments (SCAG) officially released the draft 2012 RTP/SCS plan. The 209-page plan proposes investing more than \$500 billion over the next 23 years to improve Southern California’s transportation systems. The plan looks at several areas including: the current conditions and what challenges and opportunities exist, that transportation investments that must be made; the financial plan identifying how much money is available to support the transportation needs and providing recommendations for additional revenue sources; the SCS for integrating transportation and land use strategies; performance measures showing the benefits and outcomes from plan implementation; a summary of the public participation plan surrounding the RTP/SCS; and additional strategies and investments that are needed as part of the strategic plan. The plan’s release opened the 45-day comment period. SCAG held workshops with elected officials, as well as public meetings on the draft plan through February 6. The final RTP/SCS will be voted on in April.

To see the document and for more information on the upcoming meetings, please visit

<http://rtpscs.scag.ca.gov/Pages/default.aspx#draft2012rtpscs>

## Legislative Activities

## KEY LEGISLATIVE INITIATIVES

**ASSEMBLY AND SENATE COMMITTEE ASSIGNMENTS**

Assembly Speaker John Perez did not make any changes to the chairs of the following key Assembly Committees:

- Appropriations – Felipe Fuentes
- Budget – Bob Blumenfield
  - o Budget Subcommittee #3 (Resources and Transportation) – Richard Gordon
- Natural Resources – Wesley Chesbro
- Transportation – Bonnie Lowenthal

Senate President pro Tem Darrell Steinberg also retained the chairs of these key Senate Committees:

- Appropriations – Christine Kehoe
- Budget & Fiscal Review – Mark Leno
  - o Subcommittee 2 on Resources, Environmental Protection, Energy and Transportation - Joe Simitian
- Energy, Utilities, and Communications – Alex Padilla
- Environmental Quality – Joe Simitian
- Natural Resources and Water – Fran Pavley
- Transportation and Housing – Mark DeSaulnier

**UPCOMING HEARINGS IN THE SENATE AND ASSEMBLY**

**Senate** – None on selected bills or topics

**Assembly** – On April 12 from 4:00-7:00 p.m., the Select Committee on Inland Empire Transportation Issues will hold an informational hearing titled “I-10 Transportation Corridor: Successes and Issues” at the San Bernardino International Airport Administration Building, Main Auditorium, located at 1601 East Third Street in San Bernardino.

## LEGISLATION

**ALTERNATIVE FUELS/ENERGY EFFICIENT VEHICLES****AB 523 (Valadao)****Summary**

This bill would provide that, after July 1, 2013, only projects for the production of ethanol that are not derived from corn are eligible for funding under the Alternative and Renewable Fuel and Vehicle Technology Program.

**Status and Complete Bill History**

[http://www.leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_523&sess=CUR&house=B&author=valadao](http://www.leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_523&sess=CUR&house=B&author=valadao)

**AB 638 (Skinner)****Summary**

This bill would require the California Energy Commission (CEC) and ARB to attain the fuel consumption targets in the California Strategy to Reduce Petroleum Dependence as efficiently as possible, coordinate the attainment of the targets with provisions regulating alternative fuels, and assess how future guidelines, regulations and investments affect the attainment of the fuel consumption targets.

**Status and Complete Bill History**

[http://www.leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_638&sess=CUR&house=B&author=skinner](http://www.leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_638&sess=CUR&house=B&author=skinner)

**SB 37 (Simitian)****Summary**

This bill would enact the Liquefied Natural Gas (LNG) Market Assessment Act and would require the CEC, as a component of the biennial Integrated Energy Policy Report, to conduct a study of the need for LNG imports to meet the state's energy demand. This bill also would impose certain requirements on LNG facility projects.

**Status and Complete Bill History**

[http://www.leginfo.ca.gov/cgi-bin/postquery?bill\\_number=sb\\_37&sess=CUR&house=B&author=simitian](http://www.leginfo.ca.gov/cgi-bin/postquery?bill_number=sb_37&sess=CUR&house=B&author=simitian)

**VEHICLE EMISSIONS****AB 1099 (B. Lowenthal)****Summary**

This bill would require the DMV to refuse registration for any commercial motor vehicle that is a 1996-model year or older with a gross vehicle weight rating of more than 26,000 pounds, except for any construction truck that is subject to an extension pursuant to ARB regulations. The bill would also exempt a commercial motor vehicle registered in California prior to January 1, 2012 if the vehicle is continuously registered or is certified non-operational after 2012.

**Status and Complete Bill History**

[http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab\\_1051-1100/ab\\_1099\\_bill\\_20110825\\_status.html](http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1051-1100/ab_1099_bill_20110825_status.html)

## CLIMATE CHANGE

### **AB 1285 (Fuentes)**

#### **Summary**

This bill would require ARB to establish a Regional Greenhouse Gas Emission Reduction Program to maximize regional GHG emission reduction and sequestration projects. ARB would be required to create a system by which emission reductions achieved by projects under the program result in the creation of qualified units of exchange that may be transferred to entities subject to an emissions cap adopted pursuant to the act for compliance toward that cap. ARB would be required to establish a Regional Emission Reduction Exchange to provide oversight and facilitate the transfer these units. The provisions of the bill would be implemented only if ARB adopts a market-based compliance mechanism that includes authorization to use compliance offsets created from GHG emission reduction or sequestration projects in a sector that is not subject to an emissions cap as part of the market-based compliance mechanism regulation.

Because this bill did not pass out of its house of origin by the January 31 deadline, it is now a dead bill.

#### **Status and Complete Bill History**

[http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab\\_1251-1300/ab\\_1285\\_bill\\_20120201\\_history.html](http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1251-1300/ab_1285_bill_20120201_history.html)

### **AB 1532 (Perez)**

#### **Summary**

This bill would create the Greenhouse Gas Reduction Account within the Air Pollution Control Fund, and require money collected pursuant to a market-based compliance mechanism (cap and trade) be deposited in this account to be used for the purposes of carrying out the California Global Warming Solutions Act of 2006 (AB 32). This is currently a spot bill.

#### **Status and Complete Bill History**

[http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab\\_1501-1550/ab\\_1532\\_bill\\_20120202\\_history.html](http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1501-1550/ab_1532_bill_20120202_history.html)

### **SB 535 (De Leon)**

#### **Summary**

This bill would establish the California Communities Healthy Air Revitalization Trust and would require a minimum of 10% of specified revenues generated for the state each year from the California Global Warming Solutions Act be deposited into the trust. The money would be used in the most impacted and disadvantaged communities to fund programs or projects that reduce GHGs or mitigate direct health or

environmental impacts of climate change through competitive grants, loans or other funding mechanisms.

### Status and Complete Bill History

[http://www.leginfo.ca.gov/cgi-bin/postquery?bill\\_number=sb\\_535&sess=CUR&house=B&author=de\\_leon](http://www.leginfo.ca.gov/cgi-bin/postquery?bill_number=sb_535&sess=CUR&house=B&author=de_leon)

## PORTS/GOODS MOVEMENT

### SB 862 (A. Lowenthal)

#### Summary

This bill would create the Southern California Goods Movement Authority, which would establish a priority list of infrastructure and air quality improvement projects related to the movement of port-related cargo and port operations in Southern California.

### Status and Complete Bill History

[http://www.leginfo.ca.gov/cgi-bin/postquery?bill\\_number=sb\\_862&sess=CUR&house=B&author=lowenthal](http://www.leginfo.ca.gov/cgi-bin/postquery?bill_number=sb_862&sess=CUR&house=B&author=lowenthal)

## AIR RESOURCES BOARD

### AB 128 (Logue)

#### Summary

In lieu of assessing penalties for violation of an air pollution law that ARB administers, this bill would authorize ARB to require the violator to spend an amount equivalent to the amount that would have been assessed for the violation toward actions to comply with the law that was violated or toward a supplemental environmental project, as defined.

Because this bill did not pass out of its house of origin by the January 31 deadline, it is now a dead bill.

### Status and Complete Bill History

[http://www.leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_128&sess=CUR&house=B&author=logue](http://www.leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_128&sess=CUR&house=B&author=logue)

## VEHICLE LICENSE FEES

### AB 66 (Chesbro)

#### Summary

This bill would allow the current additional .15% vehicle license tax of the market value of specified vehicles to remain in place, repealing the June 30, 2011 sunset date, which will allow additional revenue to be deposited into Local Safety and Protection Account in the General Fund. This .15% tax on

certain vehicles is in addition to the 1% annual vehicle license fee charged for all vehicles registered in California.

Because this bill did not pass out of its house of origin by the January 31 deadline, it is now a dead bill.

### **Status and Complete Bill History**

[http://www.leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_66&sess=CUR&house=B&author=chesbro](http://www.leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_66&sess=CUR&house=B&author=chesbro)

## **TRANSPORTATION FUNDING**

### **AB 1446 (Feuer)**

#### **Summary**

This bill would authorize Metro to extend the one-half cent sales tax approved through Measure R for an undetermined number of years to fund transportation-related projects. The sales tax extension would be subject to voter approval.

### **Status and Complete Bill History**

[http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab\\_1401-1450/ab\\_1446\\_bill\\_20120126\\_history.html](http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1401-1450/ab_1446_bill_20120126_history.html)

### **SB 901 (Steinberg)**

#### **Summary**

This bill would change the name of the AB 118 (Nunez), Chapter 750, Statutes of 2007, Enhanced Fleet Modernization Program to the Vehicle Retirement Program. It also would prioritize expenditures from the program for the highest polluting light- to medium-duty vehicles registered in air basins that are out of attainment with federal air quality standards.

### **Status and Complete Bill History**

[http://leginfo.ca.gov/cgi-bin/postquery?bill\\_number=sb\\_901&sess=CUR&house=B&author=steinberg](http://leginfo.ca.gov/cgi-bin/postquery?bill_number=sb_901&sess=CUR&house=B&author=steinberg)

## **CALIFORNIA ENVIRONMENTAL QUALITY ACT**

### **AB 605 (Dickinson)**

#### **Summary**

The California Environmental Quality Act (CEQA) requires state agencies to prepare an environmental impact report (EIR) for projects that have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect or to adopt a mitigated negative declaration. This bill would require the Office of Planning and Research (OPR) to prepare and adopt guidelines establishing the percentage reduction in the projected trip generation and vehicle miles traveled (VMT) for a project as compared to the average for trip generation

and VMT for that project type that would assist a region in meeting the GHG emission targets adopted by ARB for vehicles. OPR would be required to develop a list of mitigation measures that a project may incorporate to reduce the project's projected trip generation and VMT. Further, the bill would provide that a project meeting or exceeding the percentage reduction in trip generation and VMT or a project that incorporates the listed mitigation measures sufficient to allow the project to meet the percentage reduction would not need to consider the project's transportation-related impacts in CEQA documents.

Because this bill did not pass out of its house of origin by the January 31 deadline, it is now a dead bill.

### **Status and Complete Bill History**

[http://www.leginfo.ca.gov/cgi-bin/postquery?bill\\_number=ab\\_605&sess=CUR&house=B&author=dickinson](http://www.leginfo.ca.gov/cgi-bin/postquery?bill_number=ab_605&sess=CUR&house=B&author=dickinson)

### **SB 241 (Canella)**

#### **Summary**

This bill would enact the CEQA Litigation Protection Pilot Program of 2011 and require the Business, Transportation and Housing (BTH) Agency to select projects that meet specified requirements from specified regions for each calendar year between 2012 and 2016. The bill would exempt from judicial review a lead agency's decision to certify the EIR, or to adopt a mitigated negative declaration based on an initial study for the selected projects, exempt the lead agency's approval of the selected project, and exempt the BTH Agency's selection of the projects.

### **Status and Complete Bill History**

[http://www.leginfo.ca.gov/cgi-bin/postquery?bill\\_number=sb\\_241&sess=CUR&house=B&author=cannella](http://www.leginfo.ca.gov/cgi-bin/postquery?bill_number=sb_241&sess=CUR&house=B&author=cannella)

### **SB 52 (Steinberg)**

#### **Summary**

This bill clarifies the Jobs and Economic Improvement Through Environmental Leadership Act of 2011, which specifies review procedures for EIRs for certain development projects, by (1) clarifying the definition of "applicant" and "transportation efficiency"; (2) clarifying that the \$100 million minimum project investment is spent on planning design, and project construction, providing that priority for greenhouse gas emission reduction occur on the project site and in neighboring communities, and providing for offset credit reductions procedures for these reductions; (3) clarifying that procedures relating to an action or proceeding alleging a violation of CEQA apply to the lead agency, rather than a public agency; (4) revising Judicial Council reporting requirements to reference justice administrative issues rather than project certification issues; and (5) clarifying legislative intent.

### **Status and Complete Bill History**

[http://leginfo.ca.gov/cgi-bin/postquery?bill\\_number=sb\\_52&sess=CUR&house=B&author=steinberg](http://leginfo.ca.gov/cgi-bin/postquery?bill_number=sb_52&sess=CUR&house=B&author=steinberg)

## Key Federal Activities

## LEGISLATIVE ACTIVITIES

**HOUSE REPUBLICANS INTRODUCE ENERGY & INFRASTRUCTURE BILL**

On January 31, House Republicans unveiled the “American Energy & Infrastructure Jobs Act,” (H.R. 7) introduced by House Transportation and Infrastructure Committee Chairman John Mica (R-FL). The bill aims to reform federal transportation programs and create jobs by authorizing approximately \$260 billion over the next five years for highway, transit and highway safety programs. It also funds the Transportation Infrastructure Finance and Innovation Act (TIFIA) program at \$1 billion per year. On February 3, the House Transportation and Infrastructure Committee voted to pass the bill by a vote of 29-24. Critics are concerned because it incorporates other bills aimed at increasing domestic energy production, including oil drilling, to the transportation bill. A floor vote on the House bill is expected to occur the week of February 13.

A summary of the bill can be found at

[http://republicans.transportation.house.gov/Media/file/112th/Highways/2012-01-31-Final\\_Rollout.pdf](http://republicans.transportation.house.gov/Media/file/112th/Highways/2012-01-31-Final_Rollout.pdf)

**MOVEMENT ON SENATE VERSION OF TRANSPORTATION BILL; GOP INTRODUCES HOUSE VERSION**

On January 26, Barbara Boxer set the stage with a press conference announcing the progress of the Senate version of the federal transportation bill, S. 1813, “Moving Ahead for Progress in the 21st Century” (MAP-21), which authorizes \$109 for two years. The current extension of SAFETEA-LU expires on March 31. On February 9, the Senate voted to end debate on the bill by a vote of 85-11, with a final vote on the measure scheduled to occur as early as the week of February 13.

A summary of the Senate bill can be found at

[http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore\\_id=6d1e2690-6bc7-4e13-9169-0e7bc2ca0098](http://epw.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=6d1e2690-6bc7-4e13-9169-0e7bc2ca0098)

**CONGRESS FAILS TO EXTEND TRANSIT COMMUTER TAX BENEFIT**

On January 1, the tax benefit for commuters taking public transportation dropped from \$230 per month to \$125 per month. However, the parking benefit increased from \$230 to \$240 per month. Transit advocates believe that part of the benefit could be brought back in early 2012 as part of the payroll tax debates and are urging support for H.R. 2412 and S. 1034, the

“Commuter Benefits Equity Act.” The bills, introduced last year, would equalize the exclusion from gross income of parking and transportation fringe benefits not to exceed \$230 per month for each, and provide for a common cost-of-living adjustment. Several members of Congress have indicated that restoration of the benefit will be a part of the payroll tax discussion.

To read the Senate and House versions of the Commuter Benefits Equity Act, please visit

<http://thomas.loc.gov/cgi-bin/bdquery/z?d112:h.r.02412:>

and

<http://thomas.loc.gov/cgi-bin/bdquery/z?d112:s.1034:>

### SENATE INTRODUCES NATURAL GAS LEGISLATION

On November 15, Senators Robert Menendez (D-NJ), Majority Leader Harry Reid (D-NV) and Senator Richard Burr (R-NC) introduced the New Alternative Transportation to Give Americans Solutions (NAT GAS) Act of 2011 (S. 1863). The bill is designed to increase domestic production of natural gas vehicles and would extend tax credits for natural gas vehicles and fueling infrastructure. The funding would come from imposing a temporary user fee on natural gas used as a vehicle fuel. The House version of the bill was considered in 2010, but failed to reach a House vote. It was reintroduced in the House on April 6, 2011 (H.R. 1380) and remains in the House Energy and Commerce Committee.

A summary of the bill can be found at

<http://menendez.senate.gov/newsroom/press/release/?id=d478d932-e3a2-4602-a4d6-e4aafac271e9>

## REGULATORY ACTIVITIES

### FTA RELEASES NOTICE OF PROPOSED RULEMAKING FOR MAJOR CAPITAL INVESTMENT PROJECTS

The Department of Transportation, Federal Transit Administration (FTA) released a notice of proposed rulemaking (NPRM) on January 25 for a proposal on a new regulatory framework for FTA’s evaluation and rating of major new transit investments that seek funding under the discretionary “New Starts” and “Small Starts” programs. The NPRM was published concurrently with a Notice of Availability of proposed guidance that proposes new measures and methods for calculating the project justification and local financial commitment criteria specified in statute and the proposed rule. A unique aspect of the proposed changes is how the FTA treats social equity. Currently, the FTA rates the economic development effects of major transit investments on the basis of the transit-supportive plans and policies in place and the performance and impact of those policies. FTA proposes to continue

to use this measure and to add a consideration of the social equity impacts of the proposed investment by assessing the degree to which policies maintaining or increasing affordable housing are in place. The number of domestic jobs related to design, construction and operation of the project also would be reported. Comments must be received by March 26, 2012.

The NPRM can be found at

<http://www.gpo.gov/fdsys/pkg/FR-2012-01-25/html/2012-1198.htm>