APPEARANCES

BOARD MEMBERS

Ms. Barbara Riordan, Acting Chairperson
Dr. John R. Balmes
Ms. Sandra Berg
Ms. Doreene D'Adamo
Ms. Lydia Kennard
Mr. Ronald O. Loveridge
Mr. Ron Roberts
Dr. Daniel Sperling
Dr. John Telles
Mr. Ken Yeager

STAFF

Mr. James Goldstene, Executive Officer
Mr. Tom Cackette, Chief Deputy Executive Officer
Ms. Ellen Peter, Chief Counsel
Mr. Michael Scheible, Deputy Executive Officer
Ms. Lynn Terry, Deputy Executive Officer
Mr. Robert Duvall, Climate Change Planning Section, Office of Climate Change
Ms. Lezlie Kimura, Local Government Strategies Section, Planning and Technical Support Division
Mr. Rob Oglesby, Legislative Director, Office of Legislative Affairs
APPEARANCES CONTINUED

STAFF

Ms. Linda Smith, Ph.D., Chief, Health and Exposure Assessment Branch, Research Division

Ms. Monica Vejar, Board Clerk

ALSO PRESENT

Ms. Janet Abshire, American Lung Association

Ms. Autumn Berstein, Climate Plan

Mr. Stuart Cohen, Transform

Mr. William Davis, SCCA

Mr. Greg Devereaux, City of Ontario

Dr. Ralph DiLibero, LACMA

Mr. John Dunlap, CERT

Ms. Amanda Eaken, NRDC, RTAC

Mr. Kit Enger, Sand Car Manufacturers

Ms. Parisa Fatehi, Public Advocated

Mr. Randal Friedman, US Navy

Mr. Greg Gallegos, SANDAG

Ms. Julia Gardiner, Nature Conservancy

Mr. Steve Heminger, MTC

Ms. Bonnie Holmes-Gen, American Lung Association

Mr. Tom Jordon, San Joaquin Valley APCD

Mr. Tom Julia, Composite Panel Association

Ms. Carol Livingston, Greenbert Traurig/Garmin

Mr. Bill Magavern, Sierra Club California
APPEARANCES CONTINUED

ALSO PRESENT

Mr. Mike McKeever, RTAC

Ms. Sabrina Means, California Transit Association

Mr. Clayton Miller, CIAQC

Mr. Pete Montgomery, CBIA

Ms. Linda Parks, County of Ventura

Ms. Betty Plowman, California Dump Truck Owners Association

Ms. Marisa Rimland, Public Health Institute

Dr. Jonathan Samet, Director, University of Southern California Institute for Global Health

Mr. Mike Shuemake, CVTR, Great Dane Trailers

Ms. Julie Snyder, Housing California

Mr. Edward Thompson, American Farmland Trust

Mr. Barry Wallerstein, SCAQMD

Ms. Donna Wilson, CERT

Ms. Kate Wright, Local Government Commission
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PROCEEDINGS

ACTING CHAIRPERSON RIORDAN: Good morning, and this is the 19th of November. And it's our Air Resources Board meeting.

You'll note there is a change in the Chair. My name is Barbara Riordan. Unfortunately, our Chairman, Mary Nichols, had a death in her immediate family, and she was not able to be here today due to the funeral.

And so I'm going to take over for a brief moment here and ask that we all rise and salute the flag.

(Thereupon the Pledge of Allegiance was Recited in unison.)

ACTING CHAIRPERSON RIORDAN: Madam Clerk, would you please call the roll?

BOARD CLERK VEJAR: Dr. Balmes?

BOARD MEMBER BALTSES: Here.

BOARD CLERK VEJAR: Ms. Berg?

BOARD MEMBER BERG: Here.

BOARD CLERK VEJAR: Ms. D'Adamo?

BOARD MEMBER D'ADAMO: Here.

BOARD CLERK VEJAR: Ms. Kennard?

Mayor Loveridge?

BOARD MEMBER LOVERIDGE: Here.

BOARD CLERK VEJAR: Ms. Riordan?

ACTING CHAIRPERSON RIORDAN: Here.
BOARD CLERK VEJAR: Supervisor Roberts?
BOARD MEMBER ROBERTS: Here.
BOARD CLERK VEJAR: Professor Sperling?
BOARD MEMBER SPERLING: Here.
BOARD CLERK VEJAR: Dr. Telles?
BOARD MEMBER TELLES: Present.
BOARD CLERK VEJAR: Supervisor Yeager?
BOARD MEMBER YEAGER: Here.
BOARD CLERK VEJAR: Chairman Nichols?
Madam Chair, we have a quorum.
ACTING CHAIRPERSON RIORDAN: Thank you very much.
There are a few announcements that I'd like to make.
One is, for safety reasons, you need to note the emergency commits to the rear of the room. In the event of a fire alarm, we are required to vacate the room immediately, go downstairs, and out of the building. An all-clear signal will be given, and we can return and resume our hearing.
And next I'd like to share with you there is an item of procedural interest for our Board. We normally had not used a consent calendar, though we all serve on Boards and on Commissions that do use consent calendars regularly. But this is going to be the first time this Board has probably used it, at least in my tenure.
And the first item on our agenda is a consent item. And it works this way. Anyone who wishes to speak to the item can request that or any Board member can request it, and it becomes a part of the regular hearing. If it is, and we believe, a consent item and plenty of opportunity to review it by staff and the public has seen it on our agenda, then we will move forward with it with a vote. We will not have a staff presentation unless we need to as a result of a request by the public or Board member. Any item such as this can indeed be heard by any of us.

So I would ask first if there are any Board members that would like to pull the consent calendar item? Seeing none, let me ask the clerk if anybody has signed up to speak to the item.

BOARD CLERK VEJAR: No, they have not.

ACTING CHAIRPERSON RIORDAN: Then we may move forward.

And I forgot to announce the number of this item. This is Agenda Item 09-9-5. It's the proposed repeal of the 2007 amendments to California's emission warrantee information reporting and recall regulations and the emission test procedures and the re-adoption of the prior regulations and emission test procedures.

Let me move now to ask for, I believe, Madam
Counsel, a vote on the consent item.

BOARD MEMBER LOVERIDGE: Move approval.

CHIEF COUNSEL PETER: Madam Chair, we need a motion and a second.

BOARD MEMBER LOVERIDGE: Move approval.

BOARD MEMBER ROBERTS: Second.

ACTING CHAIRPERSON RIORDAN: Moved and seconded.

Any further discussion?

Seeing or hearing none, all those in favor signify by saying aye.

(Ayes)

ACTING CHAIRPERSON RIORDAN: Opposed, no.

The motion carries. Thank you very much.

Our next item is Agenda Item 09-9-6.

This month, we will open with a presentation on the health consequences of exposure to diesel particulate matter. Two major peer-reviewed reports to our Board have concluded diesel PM causes an increase in the likelihood of cancer and contributes to premature deaths as a component of PM2.5.

The 1998 cancer finding is the basis for our Diesel Risk Reduction Program. And last year's report on the relationship between PM2.5 and premature death provides further justification. Some have questioned the validity of this report, because a staff person who
Chief Counsel Ellen Peter will address this after the staff presentation.

Mr. Goldstene, would you like to introduce this item, please?

EXECUTIVE OFFICER GOLDSTENE: Thank you. And good morning, Board.

Because of its adverse effect on human health, diesel PM has been a major focus of air pollution control efforts in California for the last decade. The evidence for adverse health impacts comes from a large body of peer-reviewed research using a variety of approaches.

Today, staff will review the scientific evidence for the health impacts from exposure to diesel PM. Professor Jonathan Samet will also join us today to give part of the presentation. He's the founding director of the new USC Institute for Global Health and Chairman of the Department of Preventative Medicine at USC's Keck School of Medicine, as well as the Chair of U.S. EPA's Clean Air Scientific Advisory Committee.

Dr. Linda Smith from our Health and Exposure Assessment Branch will open as well as close the presentation with Professor Samet covering key elements in between. Dr. Smith.
HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: Thank you, Mr. Goldstene.

Good morning, Madam Chair and members of the Board.

Today, we'll be giving you an update on the health effects associated with exposure to diesel particulate matter.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: First, we'll discuss the health effects of diesel PM which are significant in California.

To provide a more in-depth overview of the scientific literature, we have invited in Professor Jonathan Samet, distinguished scientist with expertise in epidemiology, to discuss the evidence and present his perspective on the health effects of diesel PM.

Then I'll review our recent staff report on the methodology for estimating premature deaths associated with PM2.5 exposure, including the extensive peer review process the report underwent.

And, finally, I'll summarize the Board's actions to reduce PM emission and show how the concentration of PM2.5 has been decreasing in California, and what
challenges remain to meet California's clean air goals.

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: We have known for nearly 20 years that exposure to diesel PM may lead to adverse health effects. In 1989, ARB and the Office of Environmental Health Hazard Assessment, OEHHA, began evaluating the toxic effects of diesel PM.

In 1998, the Scientific Review Panel endorsed the ARB's and OEHHA's report and risk assessment on diesel PM. And it was then listed as a toxic air contaminant. The staff report concluded that diesel PM may cause an increase in the likelihood of cancer.

Staff also calculated the cancer risk associated with air pollution and showed that diesel PM is responsible for about 70 percent of the total ambient air toxics cancer risk. The body of scientific literature on the health effects of diesel PM formed the basis of ARB's Diesel Risk Reduction Plan, and support from the literature continues to grow.

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: But there is another important aspect regarding the toxic effects of diesel PM. It is a component of ambient PM2.5 and PM2.5 is associated with non-cancer
effects, including hospitalizations, work loss days, and even premature death.

Since large cohort studies are not possible with diesel PM in isolation, we assumed that diesel PM and PM2.5 have equal toxicity. This is based on the extensive animal toxicology literature, which leads to the conclusion that diesel PM is at least as toxic as the general ambient PM mixture.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: Our guest speaker today is Dr. Jonathan Samet of the University of the Southern California. Dr. Samet, one of the world's leading public health experts, is the Chair of the Committee responsible for advising the U.S. EPA on ambient air quality standards, is the Chairman of the Department of Preventative Medicine at the Keck School of Medicine at USC, and is the founding director of the USC Institute for Global Health. He will be speaking on the evidence for premature death associated with PM2.5 exposure.

DR. SAMET: Good morning.

ACTING CHAIRPERSON RIORDAN: Welcome. And we're delighted to have you. Thank you.

DR. SAMET: Thank you. I'm pleased to be here to speak to the Board. I'm a relatively new Californian, so
this is my first appearance in Sacramento.

If I can have my first slide, please.

DR. SAMET: And on to the next.

DR. SAMET: So let me just begin with a reminder that we have long worried about the health effects of air pollution. And it was the last century and even earlier that brought these dramatic episodes of killer air pollution episodes, the London Fog of 1952, ten to 20,000 extra deaths. In the United States, Pennsylvania, some of us are old enough to remember the east coast brownouts of the '60s with hundreds of extra deaths. And these events were a strong impetus for our government and for others to begin to address air quality issues.

DR. SAMET: It was with some surprise I think 15 to 20 years ago in spite of this progress that epidemiological studies began to show clear links between levels of particles and other air pollutants and premature mortality.

With my colleagues at Johns Hopkins roughly 15 years ago, we began to do epidemiological studies, time series studies of air pollution and premature mortality on a national scale on a project called NMMAPS, National
Morbidity Mortality and Air Pollution Study. And we observed across the United States associations between day-to-day variation in air pollutants, particularly at that time PM10 and premature and mortality. And then, of course, the cohort studies that you're aware of, the American Cancer Society study and the Harvard Six City Study and others, began to show as well that long-term exposure to particulate air pollution was associated with premature mortality. And these new data, along with advancing understanding of how air pollution damages health, have led to a progressive tightening of the national ambient air quality standards.

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DR. SAMET: In 1998, along with Bart Croes, I began work on an important committee of the National Research Council that was setting an agenda for research on particulate matter. We published four reports. The green one was our last report describing progress in expanding the scientific evidence on particulate matter. At that time, one of the major gaps, and I think still an important one and one relevant to your discussions today, was what do we know about how particulate toxicity depended on the characteristics of the particles and their sources. And this is an important gap. Many of us have been working on this in our research.
I think at this point it's fair to say that we have a number of mechanisms general by which particles may damage health. We certainly know something about how the particles emitted by diesel engines differ from those created by other sources.

But in terms of toxicity, we don't have clear evidence that one type of particle is clearly distinct in its toxicity from another. Again, as I mentioned, there's ongoing research.

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DR. SAMET: There is, on the other hand, a large body of evidence on particles and health. And this slide comes from a compilation of the epidemiological studies of daily variation in air pollution, so-called time series studies, in relationship to all cause mortality. This was assembled at St. George's in London. It was part of a European effort.

And I think the main point I want to make here, even as 2006, there were 314 different time series studies estimates of risk reported from these studies. And that number has continued to grow. And at the same time, there is rising evidence on how particles may effect health.

I'm going to tell you about where the evidence is viewed at this point by the Environmental Protection Agency. This is the cover of the so-called integrated
DR. SAMET: For those of you who know the EPA process for developing documents, this corresponds in part to the prior criteria document, but it is a more integrative document.

DR. SAMET: The document has a system for classifying evidence as to the strength of the evidence for judging causation. This is a process that the agency has worked hard on in its updating of its review process to try to make very clear what the evidence is it's considering and what its structure is for doing so and then putting into a common language what the strength of evidence is.

So at the top is causal, likely to be causal, suggestive of causal relationship, inadequate, and then not likely to be a causal relationship as you go down in terms of strength of evidence.

What the agency is doing is it is taking those health effects for which the evidence reaches the causal or the likely to be causal and moving those on into its risk assessment process.

For health effects for which the evidence might not reach that level of certainty, but for which there is
public health importance or other considerations of risk assessment, may have advance well. But what I'm going to show you is the classification now of the evidence for PM.

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DR. SAMET: I want to say that a key part of these determinations is not only the epidemiological information, but what we know about how particles damage health.

And this is only one of many examples of ischemia, laying out the different processes by which particles once inhaled may affect the heart and the lungs. And, of course, in the last decade, we have an expanding body of evidence linking particle exposures to cardiovascular effects as well as the long studied pulmonary effects.

And, again, the boxes down there just list some of the mechanisms. So we think that inflammation is important. We think the oxidative potential of the particles is important. We know that the small particles can actually move across the lungs, translocate, and move into the circulation and reach different organs in the body.

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DR. SAMET: So I'm going to take you first to the short-term effects. And this table that you can't read is
simply showing the evidence on short-term effects, showing
the effect estimates by the level of PM at which the
observations were made. And, again, if there were no
effect, the estimates would be at zero. And if you look
at the figure, most are to the plus side, indicating that
particles short term are affecting these different
indicators. This is mortality.
So this leads to the summary of this evidence in
the second draft ISA.
So if you notice for cardiovascular effects, the
conclusion is causal.
DR. SAMET: For respiratory effects, likely to be
causal. And for all-cause mortality, likely to be causal.
I put a red circle around it because the recommendation
was this should be moved to causal. That being because of
both the evidence available and because cardiovascular
mortality comprises a substantial component of total
mortality. It's just simply not logical that there would
be a causal association for cardiovascular mortality and
not for total mortality. So this is the short-term data.

DR. SAMET: The next is a slide. This is the
long-term data on mortality. Again, as summarized in the
ISA, same sort of layout.
This now is cohort study data. Again, the estimates are to the positive side indicating that increased PM2.5 exposure is associated with increased mortality on the long run and then the conclusions in the next slide. And again, the same discussion.

You might notice that for cancer immunogenicity and genotoxicity the evidence for particles in general PM2.5 was at the suggestive level.

Again, I will say that KSAC discussed this assessment by the agency. We know, of course, that PM2.5 does have carcinogens, does include carcinogens. But this was an overall judgment weighting both the toxicological evidence, evidence on PM constituents, and the epidemiological evidence for PM. Generally, this was judged at the suggestive level.

Next slide.

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DR. SAMET: This is just to show you how the processes played out for particle size fractions other than PM2.5. So there is a lot of discussion of course about so-called course mass PM, PM10 less 2.5, a size fraction that has been less studied. And here the evidence is again classified as suggestive for these health effects. And there is clearly a need for research here on a size fraction that for physiologic reasons, for
symmetric reasons we think is relevant to people, relevant to susceptible people with asthma, but not yet well studied. And the last is the ultra fine particles.

--o0o--

DR. SAMET: Again, a lot of discussion about the ultra fine very, very fine particles. And here still limited evidence and the evidence judged as suggestive.

I think this is my last slide. I've taken you on a whirlwind tour of documents that are massive. We had hoped that as EPA moved from the criteria documents, which you can barely carry, to the integrated science assessment that we see something a little bit briefer. But in part, there's so much research going on that the agency simply in capturing it ends up with very large documents.

I will say if you want to get a quick view, there's a chapter two, the integrative chapter, that does a very nice job in this document of pulling things together. I would anticipate that the agency will have the revised document posted relatively soon. I think actually the KSAC comments are being posted today. Our comments are being posted today on the ISA, the risk assessment, and the visibility document as well. So those are just getting posted.

So thank you very much.

ACTING CHAIRPERSON RIORDAN: Thank you.
And I'm going to ask you just to stay there for one moment, please.

One could actually open it for questions from the Board for our expert witness, or we could also finish and then come back.

EXECUTIVE OFFICER GOLDSTENE: If it's okay if we can just finish the staff presentation and come back.

ACTING CHAIRPERSON RIORDAN: That would be just fine.

The only request I have is, because I think the data is fascinating, perhaps we could have his slides enlarged for those of us who have somewhat difficult times reading the small print. I think it comes with age, not youth. So if we could have that, maybe it would be a good thing. Not necessarily today. You could just send it to the Board.

EXECUTIVE OFFICER GOLDSTENE: We'll do that.

We'll enlarge the information and send it.

ACTING CHAIRPERSON RIORDAN: Thank you.

Continue on, and then we'll ask questions of all the speakers.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: Thank you, Dr. Samet and Madam Chair.

At this point I'd like to turn to the ARB staff
report on the scientific literature supporting an
association between PM2.5 and premature death and staff's
update to the methodology used for quantifying the numbers
of deaths that can be linked to PM2.5 exposure.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF
SMITH: We began the two-year process of updating the
relationship between PM2.5 and premature death with a
public workshop followed by a review of the scientific
literature.

Staff considered the results from an effort
carried out by the U.S. EPA which convened a panel of 12
experts to review the PM2.5 mortality literature and give
their estimates of the magnitude of the effect, including
the uncertainty of the estimates. As will be discussed in
a later slide, ARB staff incorporated the panel's findings
into its estimate. The report was prepared in
consultation with our advisors, peer reviewers, and other
experts and released for public comment. Staff then
addressed and incorporated comments and suggestions into a
final report released in October of last year.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF
SMITH: In the PM2.5 mortality report, staff considered a
total of 78 peer-reviewed publications. Staff did not
include secondary literature, such as books or opinion pieces. All relevant peer-reviewed studies were included in the report that were published through August of 2008. Some of the studies gave estimates higher than staff's recommendation; others gave lower estimates. Each was included and evaluated for the report.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: In drafting the report, staff worked with the well-known epidemiologists and air pollution scientists listed on this slide who served as advisors and peer reviews throughout the project.

After considering the full range of studies, the methodologies and results presented in the report were endorsed by these advisors and reviewers.

The PM2.5 mortality staff report went through formal, independent, peer review organized by the University of California Office of the President and did not rely upon the health research or original work of ARB staff.

However, concerns did arise earlier this year about the credentials and honesty of the report's coordinator. Therefore, in late April, we asked all of the advisors and external reviews to re-review the report. Nine of the ten responded and confirmed their original
Despite continued attempts, we have not heard from the tenth reviewer.

Therefore, because of the overwhelming support, we continue to be confident of the validity of the conclusions of the PM2.5 mortality staff report.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: ARB's estimate of the relation between PM2.5 and premature death is a compilation of the estimates from the U.S. EPA panel of experts. It is not derived from a single study. Each member of the expert panel was free to use any study they wanted to consider. The expert panel put most weight on studies using the American Cancer Society and Six Cities cohorts. Eight of the 12 U.S. EPA experts included a study done in Los Angeles with the ACS cohort to inform their estimate.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: The ARB is not alone in recognizing the public health threat posed by particulate matter. The American Medical Association, the American Heart Association, and the World Health Organization all have issued statements acknowledging the link between PM and adverse health outcomes, particularly cardiovascular and respiratory
diseases.

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF
SMITH: In addition to premature death, a number of other health impacts associated with exposure to PM2.5 have all been well documented. This slide lists the additional health end points which ARB typically quantifies and uses in its regulations.

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF
SMITH: But many more health effects associated with exposure to PM2.5 have also been reported, which are shown on this slide.

We did not quantify these health impacts because we feel the epidemiologic studies are not consistent enough to warrant a quantitative analysis. Never the less, these studies add to the weight of evidence of the adverse health impacts associated with PM2.5.

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF
SMITH: While scores of studies have shown an increase in adverse health effects from increased 2.5 exposure, the opposite has also been observed. That is, a decrease of adverse health effects from a lower exposure.

Studies of reductions of specific sources of
pollution over an interval provide particularly strong
evidence of a causal relationship because they evaluate
the effects on health by reducing exposure.

This slide lists a few of the major studies that
have been shown to improve health following reductions in
particulate matter. These studies showed declines in
deaths or diseases and include a landmark study on
children's health that was funded by the ARB.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: The adverse health effects listed on the last two
slides are from PM2.5 exposure. But as discussed earlier,
diesel PM is a component of the ambient mix of PM2.5. So
a portion of the health impacts linked to PM2.5 exposure
can be ascribed to diesel PM.

With the assumption that diesel PM and ambient
PM2.5 are equally toxic, ARB staff have calculated that 19
percent of the risk from PM2.5 exposure is primary from
diesel PM. The translation of this risk into estimates of
premature death and illness are shown in the next slide.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: Listed in this slide are the annual health impacts
associated with diesel PM exposure for the year 2005.

The impacts are substantial, but these numbers
are expected to decrease as regulatory actions by the Board result in a reduction in ambient levels of diesel PM.

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: In fact, emission reductions have already been realized as a result of the Board's aggressive diesel PM control programs. These programs and the resulting improvements in air quality are the focus of the next few slides.

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: For more than a decade, the Board has consistently reduced diesel PM emissions. From listing diesel exhaust as a carcinogen, to implementing the Goods Movement Plan, to adopting the truck and bus rule, the Board has led the nation with health-based strategies to reduce diesel PM emissions and exposure. Actions include emission limits on new engines and improvements on fuels.

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF SMITH: And also include cleaning up existing engines as shown in the slide and the next.
SMITH: Staff will continue to seek opportunities to reduce exposure to diesel PM in the future as well.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: This graph shows the population-weighted annual average PM2.5 concentration for the entire state from 1987 to 2007. There is about a five percent improvement in air quality per year due primarily to the Board's motor vehicle and diesel engine control programs, as well as the continued implementation of stringent local district rules on combustion sources. This improvement has occurred even with large increases in both the number of vehicle miles traveled and the population over the last 20 years.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: As much as the Board has accomplished, there continues to be a need to reduce PM further. The best available science indicates that at the current levels of PM2.5 in California, we continue to experience thousands of premature deaths annually.

As part of the Diesel Risk Reduction Plan and the Goods Movement Emission Reduction Plan, ARB committed to reducing diesel PM emission and cancer risks by 85 percent by the year 2020.

The Board also continues to reduce PM2.5 levels
in order to meet current State Implementation Plan attainment deadlines in the South Coast and the San Joaquin Valley and in anticipation of increasingly tighter federal PM2.5 standards.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: Although the link between PM2.5 and adverse health outcomes is well established, research is needed to address several important issues.

The U.S. EPA established five PM centers, including the Southern California Particle Center and the San Joaquin Valley Aerosol Health Effects Research Center, to investigate the health effects of PM, including ultra fine PM, biological plausibility, toxicity of components of PM, and pollution mixtures. These centers each receive $8 million over five years.

ARB is funding two major California-specific studies, including the California Teachers Cohort, which is investigating the link between PM2.5 and premature death among 130,000 female teachers.

The ARB has also funded an ongoing analysis of the California residents enrolled in the American Cancer Society Cohort.

As this ongoing research continues, we are committed to updating ARB's estimate of PM-related deaths
when new data becomes available.

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HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF

SMITH: Lastly, there has been a dramatic reduction in PM2.5 over the last 20 years. Our progress in reducing particles is shown on this series of maps of PM2.5 concentration for the years 1987, 1999, and 2007.

As shown in the key on the right, the darker the color, the higher the PM2.5 concentration. Throughout California, we can see significant reduction in PM2.5 exposures, especially in major air basins. In fact, the rate of PM2.5 reductions in California are among the most striking in the nation.

And as the ARB continues its PM control program to help meet California's clean air goals, we expect to see a sustained downward trend in ambient PM2.5 concentrations, with associated improvements in public health.

This concludes my presentation. Thank you for your attention. And we would be happy to answer any of your questions.

ACTING CHAIRPERSON RIORDAN: Mr. Goldstene, do you want to continue on?

EXECUTIVE OFFICER GOLDSTENE: Do you want to go to questions first and then --
ACTING CHAIRPERSON RIORDAN: Well, what do you recommend? I was just going to go on to our counsel.

CHIEF COUNSEL PETER: I think it maybe makes sense to have the questions about the scientific at this point.

ACTING CHAIRPERSON RIORDAN: All right. Then let know ask Board members if there are any questions that they might have for the Board presentation at this time and our expert witness. Supervisor Roberts.

BOARD MEMBER ROBERTS: Just quickly, noting in this report that the two most significant categories combined -- two-thirds, in fact, are off-road non-agriculture and private trucks. I'm wondering if there are any studies currently underway that are looking at the tremendous impact that should be there from the idling of such a high percentage -- significant percentage of this fleet for economic reasons here over the past 12 months. And I'm wondering how that might compare to what our predictive model would suggest the health benefits should be.

EXECUTIVE OFFICER GOLDSTENE: I'll ask Tom to comment on that. We're going to be holding a workshop on that shortly, and I'll let Tom explain.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: When
you mean idling, you mean not non-active as opposed to
idling at the side of the road?

ACTING CHAIRPERSON RIORDAN: They're not idling
and running.

BOARD MEMBER ROBERTS: Idling. Excuse me. Not
idling. Idle, completely shut down.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: At the
Board's request, we're going to be returning on
December -- either 9 or 10, but the December Board meeting
to give you a sense of what the economic turn down has done
to the activity of on-road diesel trucks. And we're going
to try to give you some sense of what might happen in the
future, at least the future growth and activity, and then
kind of compare that to our targets which are driven at
least in part by the need to meet the PM2.5 ambient
standard in 2014.

So from that, I think we'll be able to give you
some sense of if our goal was X, what percent of that goal
has been met by economic downturn and how that might
change in the future, at least bound it, and what
percentage of reduction that you had anticipated from the
original rules is still needed by the rules themselves.

So give you some sense.

This is not real precise, because we're not
economic forecasters. And those who do that even for a
profession admit it's a bit of a guess at times.

BOARD MEMBER ROBERTS: You were anticipating my
second question. The first is really the validity of the
micrograms per cubic meter and the reduction we've seen
and whether it's within the predicted limits of what we
would expect.

It just seems in the real laboratory out there
you've got an opportunity right now to study some things
that downside that should be highly beneficial according
to everything we're predicting. And that's what I'd like
to know, if our predictions would be confirmed by what
we're seeing.

CHIEF DEPUTY EXECUTIVE OFFICER CACKETTE: We'll
do that. And I think it is very clear that at the
simplest level emissions have been going down and the
ambient concentrations have been going down as well. But
we'll try to link those a little more for you in the
presentation in December.

BOARD MEMBER ROBERTS: Okay. Thank you.

ACTING CHAIRPERSON RIORDAN: Questions?

Supervisor Yeager.

BOARD MEMBER YEAGER: Yes, thank you.

Maybe some of this information is on one of the
charts that I can't seem to read along with Ms. Riordan.

But do we have studies on the association with
health impacts based on age with small children at a
certain level or seniors at another level? And I'm
wondering how that might come into play with some of our
policies and some of these studies.

DR. SAMET: Just to comment, if you look at this
ISA and the other ISAs, in each one you'll find a chapter
on public health impact that addresses. The agency, EPA,
has been variable in using the term susceptible and
vulnerability. Susceptibility to potentially refer to
groups of people like those who are older, those who have
asthma, other conditions that might increase their risk.
Vulnerable, those who by the nature of where they are,
where they live, might have greater exposures than the
rest of the population.

There clearly are a number of susceptible groups
to particulate matter, and this has been looked at in many
of the studies, those who are older in general and
particularly those who have chronic respiratory and
cardiovascular disease, which is a substantial proportion
of older persons.

There's again newer evidence suggesting perhaps
people with diabetes may be at greater risk. So buried in
this document you will find discussions of those issues.
And if you add up the sort of total group of potentially
susceptible individuals to particulate matter, it becomes
a quite substantial proportion of the population as you add one group to another to another.

BOARD MEMBER YEAGER: I would sort of be interested in getting that information whenever you could.

When you think of land use planning and where we put our schools and daycare centers and senior centers, I think we really need to understand the impact it could have on people who are close to those areas.

DR. SAMET: Certainly.

ACTING CHAIRPERSON RIORDAN: To my right, Dr. --

go ahead.

BOARD MEMBER BALMES: I would just like to thank Dr. Samet for making the presentation.

I suggested to staff that we have Dr. Samet come and do a very brief whirlwind tour of the voluminous data with regard to fine PM and health effects, in particular, mortality. Because I think there's been an effort in some quarters to say that somehow CARB cooked the books with regard to the PM2.5 mortality relationship. And while I regret the misrepresentation of the author of the report that was to be used for informal risk assessment, I don't think the science changed at all one iota by that report. So I was just really appreciative of Dr. Samet taking the time to come up here and present to the Board his take on the science.
ACTING CHAIRPERSON RIORDAN: Thank you. I think we'd all echo our appreciation for your coming, and we thank you for that.

Dr. Telles -- oh, no. I'm not cutting it off. I wanted him to know we all appreciate the fact he was here.

Now, Dr. Telles.

BOARD MEMBER TELLES: I just had a question. I also agree that the PM2.5 data overwhelmingly supports that there is mortality associated with this.

And I would refer my fellow Board members to read the American Heart Association scientific statement of a few years ago. It's kind of written in a way that a layperson can understand it. And it's referenced with about 150 references. And I read quite a few of those. And it's very well outlined. And maybe if staff could supply us with the ISA report you were referring to.

And I just have kind of a technical question. In the New England Journal article about a year ago when it estimated the decreased longevity related to PM2.5, which was I believe based on the cancer study comparing 20 years of data -- and you mentioned there's emerging data on PM2.5 -- different types of particles and all that. Was there enough information there to tease out in the longevity data that there is a difference in regions between like a metropolitan Baltimore area versus a
metropolitan Los Angeles area? Is there a difference in
region based upon the known difference in the
concentrations of different types of stuff and different
kinds of components in the particles?

DR. SAMET: So one other tangential comment. I'm
aware there is a Committee of the AHA that's updating that
statement, the 2004 statement that was published in
circulation. So there should be something coming along
relatively soon I suspect to update that statement.

The New England Journal paper did not address
regional variation in gains in mortality with reductions
of PM. It's probably sort of a too data-demanding
question. You need an awful lot of information.

At Hopkins, I was principle investigator for one
of the particulate matter research centers. And our focus
sort of I think addressed in part your question. What we
were doing was going to places in the country where an
analyses of Medicare data we saw higher risks per unit of
particle and places where we saw lower risk. So we did
observe some variation across country. This was in the
short term.

And then what we are doing -- this is now work in
progress. We collected particles in each of those
locations. That particle collection is finishing up. And
then what we're doing is looking very carefully at those
particles, other air pollutants. And then we are testing
the particles in different biological assays. In fact, we
have a mouse heart failure model in which we're looking at
the characteristics of particles and a mouse asthma model
and some other characterizations. So it's an important
set of questions.

Again, the report that I mentioned that Bart and
I were involved in, we really saw this as a key next
agenda step in the particulate matter research agenda and
one relevant to what you're doing now but still
incomplete.

And so the quick answer to your question about
the longevity paper did not address regional variation.

ACTING CHAIRPERSON RIORDAN: Dr. Balmes.

BOARD MEMBER BALMES: If I might just chime in.

Are we talking about the Pope paper of New England Journal
earlier this year?

DR. SAMET: Right.

BOARD MEMBER BALMES: So there is a map of the
U.S. I use it in teaching. I have a slide right here.

And fine particulate air pollution and life expectancy in
the U.S. and there are California cities where there was
an improvement in longevity that you can -- you can't
really speak about California as a whole.

DR. SAMET: And you can't speak to whether the
gains really vary across the country, which is the point I want to make.

BOARD MEMBER BALMES: Exactly. But they do show that individual city data improved in California.

BOARD MEMBER TELLES: Interesting comment. In that article, if you go to the map and hit each city, it will bring up the longevity data. And there was four metropolitan areas in California. There was Los Angeles, San Jose, San Francisco -- and where else?

BOARD MEMBER BALMES: San Diego.

BOARD MEMBER TELLES: San Diego, and the central valley, which wasn't involved in the study because at that time that wasn't data collected. But it was interesting to note that if you hit -- I know this isn't statistical or scientific or anything. But there was quite a bit of difference in the exposure risk from the different cities in California if you just compare the two. And the longevity of the different cities in California was quite different to the point of about two years. If you live in San Francisco, you live a lot longer than if you live in San Jose.

BOARD MEMBER BALMES: That's why I live there.

BOARD MEMBER TELLES: Why that is I don't know. If you look at the relationship to PM in those four metropolitan areas, it doesn't tell you why people in
San Francisco live longer than they do in San Jose. And I suspect in Fresno they even live less long. But anyway, it was interesting.

ACTING CHAIRPERSON RIORDAN: Interesting.

Ms. D'Adamo.

BOARD MEMBER D'ADAMO: Just getting back to the subject that Supervisor Roberts raised about the workshop and some of the information that staff will be seeking to obtain. Just a question as to whether or not you're going to attempt to evaluate what types of trucks have been idled, you know, older trucks, trucks owned by small business, businesses, independent operators.

DEPUTY EXECUTIVE OFFICER TERRY: We're not able to do that just now. And we're going to continue to try. The bottom line is we're relying on information with respect to fuel consumption. The traditional counting of vehicles in from a vehicle miles traveled analysis in order to really look at what's going on to that level, you need to understand the various economic sectors and the specifics of what's happening there. So we certainly tried to see if we could find data, but we're not there yet.

BOARD MEMBER D'ADAMO: I think eventually we're going to have to move in that direction. I have received some calls and talked to staff about this as well, the
impact of the upcoming drayage rule and, you know, how it
impacts certain truck owners more so than others. And
maybe if we got some additional information on the true
impacts collecting data, it would help us to do a better
job pinpointing incentive dollars.

DEPUTY EXECUTIVE OFFICER TERRY: I should say, we
do have some information, because we were able to look at
the port specifically. So we have an estimate of the
reduced truck activity statewide in the range of 10 to 15
percent. But we also have specific analysis of ports and
drayage trucks, which is more in the 20 percent realm.
But in terms of looking at economic sectors on a statewide
basis, we don't have that kind of data.

ACTING CHAIRPERSON RIORDAN: Other questions?
BOARD MEMBER TELLES: I don't have a question,
but I'm going to make a statement in regards to this
issue, but not directly related to this issue in the time
in the meeting where Board members can make comments of
matters of interest for an upcoming meeting. But I'm not
going to make it right now. I just want to advise the
Chair of that potential statement

ACTING CHAIRPERSON RIORDAN: And I thank you, Dr.
Telles.

We are not quite finished with staff's
presentation, so Ms. Peters.
CHIEF COUNSEL PETER: Yes, Madam Chair, members of the Board.

As you know, the Air Resources Board and its staff have made science and in particular health-based science the guiding light for its programs. And the Research Division and Dr. Samet, as you just heard, presented an update on the health assessment studies which provide the scientific foundation for ARB's diesel regulations, including the truck rule.

Part of the presentation a moment ago focused on ARB's November 2008 diesel PM report in a follow-up review by the academic peer reviewers who initially evaluated the validity of that report. And the second review was sparked by an egregious error: The lead ARB staffer falsely claimed he had a Ph.D., and this Ph.D. credential was listed in the November report when it was presented to the Board.

Subsequently, it was determined he did not have a Ph.D. and disciplinary action was taken. This misconduct is a matter of public record.

Board Chairman Mary Nichols asked me to review the situation, asked me to give this report to the Board. And it's important for the Board and the public to know what's the effect of this misconduct on the legal validity of the truck rule and what steps ARB management has taken.
to assure this type of misconduct does not recur.

And on a broader scale, the important question is what steps we'll take, both the staff and the management, to guarantee that the Board is presented prior to any vote any information that either undercuts the accuracy of the data or questions the credibility of staff preparing reports for the Board.

And in short, both the Board and the public need to be able to rely on a transparent, open process in the formulation of the underlying studies and in the adoption of the regulations. And I'd like to address each of these points in turn.

In connection with the legal validity of the truck rule, a question was raised whether the administrative record was adequate in terms of the underlying scientific research. Specifically, since one of the studies listed for a basis of the 2008 rule was this November 2008 diesel PM study, does the lead staffer's misconduct related to the Ph.D. vitiate the required legal background basis for the rule? And the answer is no.

As outlined in the presentation today, there is a strong line of supporting health assessment data showing the negative health impacts of diesel PM. Moreover, the peer reviewers of the November 2008 report were
specifically asked to consider whether the staffer's misconduct affected the validity of the underlying study. And they concluded earlier this year it did not.

A comment regarding the staffer's credentials was submitted in connection with the December 2008 truck rule and the legally required Final Statement of Reasons, or FSOR, responded to this comment as well as to all the other comments that were filed on this regulation. This FSOR is presently over at the Office of Administrative Law for its review. And the FSOR sets out in detail all the background scientific studies which meets the legal requirements for this background scientific data. Once the FSOR is approved by the Office of Administrative Law, it will then be made public.

Now, although the false credentials are an enigma to ARB's principles and although disciplinary action was taken against the employee who falsified his credentials, this error does not undercut the legal validity of the truck rule because there is a separate scientific justification for the rule.

And in addition, Executive Officer Goldstene is going to discuss in a second one point. But he has directed that all of the academic credentials of the staff be confirmed and verified.

And, finally, I'd like to outline how we'll
assure the Board that the comments relating to data
accuracy and staff credentials will be presented to the
Board before votes in the future.

By necessity, the ARB staff summarizes and
evaluates information for the Board. We get thousands of
comments sometimes on some of the regulations. And that's
their job is to summarize and evaluate.

However, on the truck rule, it was an error not
to bring to the Board's attention the comment that an ARB
staff member may not have his claimed Ph.D. degree.

Now, the comments for all of the regulations are
filed with the Board clerk and then provided by that staff
to the program staff responsible for a particular
regulation. Since the administrative staff for the
regulations are in my chain of command, for future Board
items, we commit that any comment concerning data
inaccuracy or ARB staff integrity will be highlighted for
the Board members' consideration before the vote.

And I cannot discuss any specific matters related
to the personnel action in this public setting, but I'm
happy to answer any other questions.

But first Mr. Goldstene would like to make a few
additional remarks.

EXECUTIVE OFFICER GOLDSTENE: Thank you, Ellen.

Just a follow. In order to make sure this never
happens again, we are going to be working with an outside
compny to check the credentials of all current and future
professional employees here at ARB. This outside
verification system, we've just tested it with the legal
office, and we'll be using that for others and enter into
a contract with this firm that does this for us. I think
they have access to 3500 universities around the world.
So we should be able to do this.

So thank you, Ellen.

The other thing I'd like to say is obviously
we're all upset about what happened. We're going to make
sure it doesn't happen again. We can't recall a time ever
in the 40-year history of the Board that something like
this has happened. So we'll certainly make sure it
doesn't happen again.

ACTING CHAIRPERSON RIORDAN: And I would like to
say to the Board and to the staff, I do think it is
unique, as you stated, Mr. Goldstene. I don't recall it
being an issue during my tenure, which unfortunately is a
long tenure.

But I do think this is most unique and has caused
a great deal of difficulty for a lot of people. And what
really matters is how we go forward. And I think with the
assurance of staff that your policy is going to be
followed that you indicated just now, I think we can avoid
a lot of heartache and time spent on something that really
takes away from the mission of the Board.

Let me just say that we do have one speaker, and
I don't want her to think that I've forgotten her. So if
we could just --

BOARD MEMBER TELLES: Can I comment?

ACTING CHAIRPERSON RIORDAN: Certainly, Dr. Telles.

BOARD MEMBER TELLES: I think it's not only
important how we go forward, but also important how we go
backwards and re-look at this.

In my world as a physician, if a hospital granted
privileges to somebody to do a surgery that wasn't trained
or didn't have the proper credentials, the hospital is
just as liable as the physician if there was any mishap.

You know, it's kind of amazing that there wasn't
a certification process going on here that would check
credentials. This is a standard procedure done in every
hospital in the United States, and I would think it would
be done in an institution like this.

And despite the comments made today that there
was a known fact there was a falsification of credentials
related to the methodology report, no one here has yet
made the comment that the staff and Board members knew of
this falsification of credentials prior to the vote.
And this is what I'll be addressing in my upcoming comments. And that's all I'll say right now. I think that I would have expected at this point that staff would have at least made that comment in the public record. I'll make that comment.

ACTING CHAIRPERSON RIORDAN: Thank you.

Let me move on to our one speaker, and that's Betty Plowman. If you'd come forward, please, and give us your name and who you represent.

And so everybody knows, not just this speaker, we do allow for three minutes for comment. The timer is there at the podium and as well as I watch a timer up here.

So welcome. And if you would proceed.

MS. PLOWMAN: Thank you.

My name is Betty Plowman. I'm employed by the California Dump Truck Owners Association. Prior to that, I did drive and own my own dump truck business. I was an owner-operator, plus later on I had employee drivers.

And I would like to make a note now that should I have a premature death any time before 78.8 months, it is most likely attributed to my former two-pack a day smoking habit.

I would like to address and thank all of you, and I'm fully aware of the integrity that you have. I know we
have different scopes from each of you; politicians,
doctors, professors, business people. Each one I think
has always had integrity. And I do want you to know that
is not what I question.

But, however, I do feel that the
misrepresentation by Hien Tran, despite what has been said
this morning, has caused more feelings among the public on
effectively how valuable his report was. Because if I can
give an example, when I began attending the CARB meetings
in April of 2006, the first figures I was given according
to premature death -- and it's well documented in the
programs -- was the number of 2,000 deaths prematurely.
This is April of '06. Those were the figures we were
given. Within the last two years, that figure has gone to
3,500. And in the letter sent by Chairman Nichols just
last week to Roger Nello who had wanted to have something
stopped on these rules, that figure is now to 4500.

Now, this comes at a time when someone questioned
the fact many of our trucks are idle -- not idling, but
they're not working anymore. And if anything, those
figures should have probably decreased from the amount of
diesel consumption and the fact that most of us are now
unemployed.

So I once again question figures that are being
thrown out there that definitely scare the bejeebers out
of the general public when they see a truck going by and
think it's instantly going to kill them.

This is another thing. The figures have not
remained consistent in the effects of what this PM2.5
actually causes.

I wish I had had time to go over the staff
report. I realize it wasn't made public until today. But
because of the Hien Tran issue, despite what's said, the
integrity of this entire process is in question.

Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you very much
for your comments.

Staff, would you like to just respond?

EXECUTIVE OFFICER GOLDSTENE: Yeah, we can
comment on the numbers.

HEALTH AND EXPOSURE ASSESSMENT BRANCH CHIEF
SMITH: Originally, the 2,000 number was with older
scientific data. Later when it went up to 3500, it was
because we had an increased understanding of how dangerous
actually the PM2.5 was and the risk factor went up from 6
percent to 10 percent.

The more recent number was actually specifically
for I believe trucks. I remember seeing that calculation
coming across my desk. But the more important issue was
it was both primary diesel and the secondary PM that
results from diesel exhaust. Whereas, the other numbers were just the primary diesel and didn't include the secondary.

I also want to point out there is uncertainty in those numbers, and we always present a range in addition to this central estimate. It's range not only that central estimate, but it's broader than that and it could be a little bit lower or higher.

ACTING CHAIRPERSON RIORDAN: Maybe what I can do is take a Chairman's prerogative and ask staff to meet with Ms. Plowman, because I think it's a little difficult to discuss figures back and forth.

And are you going to be here, Betty, until maybe we take a break around maybe almost 11:00?

MS. PLOWMAN: Absolutely.

ACTING CHAIRPERSON RIORDAN: Great. And maybe you can set up a time when you can meet conveniently and show her the progression and the studies that follow along. I would appreciate that.

Board members, are there any further comments? If not, then this is not a regulatory item and so there's no need to officially close the record. And we'll move on.

But we again thank our expert witness. Very helpful to all of us, I'm sure.
Yes, Mayor Loveridge.

BOARD MEMBER LOVERIDGE: Madam Chair, I'm just asking about the order of the next item. I know we have a number of distinguished guests in the first row. It seems to me that is a particularly important item and I was wondering about if we could take up 9-9-2 rather than 9-9-1.

ACTING CHAIRPERSON RIORDAN: Well, we could, except, Mayor Loveridge, let me just tell you, 9-9-1 is about the shortest agenda item you're going to hear.

And --

BOARD MEMBER LOVERIDGE: I understand that. You mention an 11:00 break and I thought maybe it might be useful to take up the item where there is the most people here probably, most interest, and I think most importance or our agenda today.

ACTING CHAIRPERSON RIORDAN: If I were to tell you we've budgeted just ten minutes for this item, would that make you feel more comfortable?

BOARD MEMBER LOVERIDGE: It seems to me it doesn't matter when that item is.

ACTING CHAIRPERSON RIORDAN: Well, that's probably true. And I'll defer to the Board. If the Board has no problem, we could take 9-9-2 before 1, if that's all right, if the staff is here. Okay.
Item 9-9-2 will provide the Board with a report on recommendations made by the Regional Targeted Advisory Committee to assist the ARB with the implementation of SB 375.

When the Board adopted AB 32 Scoping Plan last year, SB 375 was identified as the mechanism for bringing about the changes in land use and transportation planning needed to bring California's climate goals in 2020 and beyond. These changes are in addition to what can be accomplished with cleaner vehicles and transportation fuels.

Before we begin the staff presentation, I want to recognize the efforts of each and every member of the Committee. Several members are here today sitting in the front row. You were acknowledged earlier by Mayor Loveridge. I'll acknowledge you now and say how grateful we are for the efforts that you have made. In particular, I would like to thank the RTAC Chairman Mike McKeever for his continued dedication for this effort.

Mr. Goldstene, would you like to introduce this item?

EXECUTIVE OFFICER GOLDSTENE: Thank you, Madam Chair.

Senate Bill 375 signed by the Governor in 2008 directs ARB to set regional targets for the purpose of
reducing greenhouse gas emissions from passenger vehicles for 2020 and 2035.

In accordance with SB 375, the Board appointed the Regional Targets Advisory Committee in January to provide recommendations for use in ARB's target-setting process. The Committee completed its work this past September. We believe their recommendations provide a solid framework for ARB to build on as we move forward in developing targets. In its presentation, staff will describe how it is incorporating the Committee's recommendation on a target setting approach, how to express targets, how to best measure land use and transportation policy impacts, and on economic and fiscal considerations and ARB's target-setting process.

Lezlie Kimura from our Air Quality and Transportation Planning Branch will begin the staff presentation. Ms. Kimura.

(Thereupon an overhead presentation was presented as follows.)

MS. KIMURA: Thank you, Mr. Goldstene.

Good morning, Madam Chair and members of the Board.

It is my pleasure to report to you on the final recommendations of the Regional Targets Advisory Committee, or RTAC, as they relate to Senate Bill 375
These recommendations are the product of a series of meetings held by the 21-member Committee between February and September of this year. All Committee meetings were open to the public, with ARB staff providing both logistics and technical support.

Staff is pleased with the issues raised by the Committee and think the final recommendation provide us with the appropriate framework for moving ahead on setting targets.

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MS. KIMURA: To start the presentation, I will provide a brief review of Senate Bill 375. I will then highlight key recommendations in the RTAC's report. And, finally, I will close with how staff's incorporating these recommendations into our target-setting process over the next nine months.

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MS. KIMURA: Senate Bill 375 was signed into law last year and is an important component to our state's climate change strategy. The bill targets carbon emission reductions from passenger vehicles through changes to land use and transportation system development patterns. To achieve this change, the law sets up a framework that encourages regions to think differently
about how communities are designed into the future. This framework is complex but can be understood as having three key phases.

The first is a target setting phase. The statute requires that ARB set passenger vehicle greenhouse gas emission reduction targets for each of the state's 18 federally designated metropolitan planning organizations, or MPOs.

The second is a plan development phase. Each MPO, in partnership with their local governments, is required to develop a sustainable community strategy as part of their existing transportation planning process. This strategy should show what land use and transportation measures will be used to meet the region's emission reduction target. If the combination of measures in the sustainable community strategy, or SCS, will not meet the region's target, the MPO is to prepare a separate alternative planning strategy, or APS, that if implemented will meet the target.

The third is a plan implementation and incentive phase. Here, the statute provides relief from some environmental review requirements to certain development projects consistent with an SCS or APS that meets targets.

MS. KIMURA: Here is a map of the 18 MPOs
affected by SB 375. In total, they represent a significant portion of the entire state, approximately 98 percent of the state's population, and have the opportunity to affect nearly 97 percent of the state's passenger vehicle greenhouse gas emissions.

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MS. KIMURA: With that context, the target-setting process set out in SB 375 has a number of moving parts, beginning with the RTAC making recommendations to ARB. It also requires that ARB engage in an information exchange with the affected MPOs and air districts and allows MPOs to suggest a target for their region prior to ARB setting targets.

All this data and information will come together to help ARB issue draft targets by the end of June next year and set final targets by the end of next September. ARB is to update these targets every eight years with the possibility of updating them every four years if needed.

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MS. KIMURA: Once targets are set, MPOs are required to prepare a sustainable community strategy as part of their regional transportation plan, or RTP. This represents a fundamental change to California's traditional transportation planning process, by adding new
content to RTPs, which MPOs prepare every four to five years. Previously, RTPs were required to contain three elements: The policy, action, and financial elements. SB 375 adds a new element with the sustainable community strategy.

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MS. KIMURA: For the sustainable communities strategy, MPOs are required to set an integrated development pattern and transportation network for the region, identifying things such as the general location of different land use types, residential densities, and areas to house the region’s population, among other things. The statute recognizes that current transportation planning processes are complex, but emphasizes that development of the sustainable community strategy should occur through a very transparent, public process, with the information and tools necessary to provide the public with a clear understanding of the issues and policy choices before them. To do this, the bill suggests that inputs and outputs of MPO modeling analyses should be made available and understandable to the public and that visual representations of SCS and APS plans should be used to help clearly communicate proposed land use and transportation strategies.
Before MPOs can adopt an SCS, they need to quantify the greenhouse gas emission reductions they expect from their plan.

If the sustainable community strategy does not meet the target, the MPO must prepare a separate alternative planning strategy that shows how the region will achieve its targets.

This presents an opportunity for regions to identify unmet funding needs, as well as new authorities necessary to meet the greenhouse gas reduction target.

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MS. KIMURA: In addition to adding new content to RTPs, the bill also changed state planning law by aligning distribution of housing within a region with the development patterns in sustainable community strategies.

The intent of the change is to help each region achieve a jobs/housing balance by better integrating housing planning with regional transportation planning.

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MS. KIMURA: To encourage land use decisions that implement sustainable community strategies, the bill adds new provisions to the California Environmental Quality Act, which streamline the environmental review process for certain types of projects.

Projects can qualify for relief from certain
environmental analyses under the three categories listed here: Projects consistent with an accepted SCS or APS; transit priority projects; and sustainable communities projects.

MS. KIMURA: The Regional Targets Advisory Committee covered a lot of ground in their discussions this past years. Over the next few slides, I will highlight a few of the RTAC recommendations that staff view as especially valuable as we move forward on developing targets for your consideration next year. The RTAC recommended a target metric, a statewide starting point, the tools and information that should be used for setting targets, as well as a recommendation on the nature of state and local interaction during the process.

MS. KIMURA: The target metric, or how targets should be expressed, is something that RTAC came to early agreement on. They recommended that targets be expressed as a percent per capita emission reduction from 2005 levels.

Their recommendation is based on four main considerations. The first was a desire to recommend a metric that is easily understandable to individuals and helps communicate the need for change at a very personal
The second was the ability of the target to use existing and new data. In particular, the target metric should directly address the issue of difference in population growth between regions.

By recommending that the target be expressed as a per person reduction, how fast a region's population grows is less important to meeting the target the actions that region takes to reduce an individual's greenhouse gas emissions.

The third reason for this metric was to give regions some credit for early actions taken to reduce greenhouse gas emissions.

Finally, the Committee agreed that every region should do its part to reduce emissions, and that all affected regions should at least start with the same percent reduction targets.

MS. KIMURA: At the same time, the Committee recognized that regional differences may exist that justify adjustments to the preliminary target. To address this, the Committee recommended a process be put in place, where MPOs could submit to ARB their reasoning and documentation on why the preliminary target for their region should be adjusted. Any adjustment to the
preliminary target would be subject to a reasonably tough
test, which the Committee did not define.

MS. KIMURA: The topic of what tools and
information should be used for target setting was a big
issue for the Committee. After much discussion, they
acknowledged the importance of using both modeling tools
as well as policies and practices tools for target
setting. While modeling tools are complex, they have the
benefit of being able to quantify how different policies
interact with each other.

Furthermore, MPOs in the state have a long
history of using these models for their RTPs. It makes
sense that investments in these tools should continue to
be leveraged.

A policies and practices tool is a simpler,
easier to understand tool. It would provide stakeholders
with a discrete list of land use and transportation policy
choices for reducing emissions, as well as the likely
range of impacts of each.

While less able to quantify how policies work
together, the benefits of a policies and practices tool is
its ability to serve as a decision-making tool for local
and regional planning efforts.
MS. KIMURA: The Committee identified the need for a strong state and local interaction process, specifically between the MPOs and ARB during the target-setting process. They felt it was critical, given the importance of incorporating local information into the targets. To address this need, they recommended milestones in the target-setting process for MPOs and ARB to exchange information. They also recommended that all information exchanged be made available to the public for review and that opportunities be provided for public feedback at the key points in the target-setting process.

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MS. KIMURA: When adopting the climate change Scoping Plan last year, this Board stated its intent that SB 375 targets would be the most ambitious achievable. The RTAC did its best to understand how to define ambitious achievable targets. Their desire to balance early success in implementation, with the needs to get our state on a path to achieving its climate goals, led them to recommend three main considerations to this Board when deciding what is ambitious and achievable.

The first is how much targets will change how regions plan. To be ambitious, targets should require actions well beyond what is business as usual in the region. They should be stringent enough to get regions
thinking differently about how they plan.

The second consideration is economic trends. To be achievable, targets must take into account current and future economic conditions and should not make it more difficult for planners to plan and builders to build.

And, finally, the Committee recognized that part of what makes targets ambitious and achievable is the flexibility regions have to select strategies to meet their targets. Targets should not assume the same toolbox for each region. They should allow regions to use the strategies that will work best to achieve the target in their region.

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MS. KIMURA: In addition to recommendations on near-term implementation issues, the Committee also offered recommendations for what we as a state need to focus on in the long term for 375. The key focus areas include: Finding and securing funding and other resources to make SCS and APS plans a reality. Specifically, the Committee emphasized the importance of additional support for transit, local planning efforts, and regional modeling tools.

The RTAC also discussed the need to develop a system that measures the success of targets and plans over time, which will help ARB with periodic updates and
regional targets, as well as MPOs with their public outreach efforts.

Lastly, they discussed the need to maintain public engagement in the 375 implementation process through strategic public education and outreach efforts.

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MS. KIMURA: With those recommendations in hand, ARB staff will continue work on a number of efforts over the next nine months towards development of targets next year. These efforts include: The collection of MPO scenario analyses and model information. As the RTAC pointed out, collection of this bottom-up information will provide critical data points for setting targets next year. Staff is currently meeting with each of the MPOs to discuss scenario development efforts and to coordinate future data exchanges. We anticipate that most MPOs scenario analyses and any MPO suggested targets will be submitted to ARB by March 1st of next year and by April 30th for the southern California region.

Staff is also in the process of developing a draft policies and practices tool. Initial work on the draft policies and practices list has begun, and we anticipate having it ready for the public in December.

In addition, staff is developing an EMFAC-based greenhouse gas emissions tool to support ongoing MPO
This tool will enable MPOs to provide ARB with analyses of scenarios and plans that consistently account for the benefits of Pavley and low-carbon fuel measures statewide.

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MS. KIMURA: In addition to these efforts, a number of other activities are taking place to support target setting over the next few months.

Most notably, a significant amount of work is being done to help improve modeling tools as well as to help develop a policies and practices tool.

With regards to model enhancement efforts, the Strategic Growth Council, which is charged with allocating Proposition 84 planning grants and incentive funds, recently awarded nearly $12 million for improvement of MPO travel models and data collection around the state.

In addition, the California Transportation Commission is currently updating its regional transportation plan guidelines to incorporate SB 375 and is working to provide guidance for MPOs on modeling protocols for use in developing sustainable community strategies.

To help with the development of a policies and practices tool as well as model enhancement, ARB is
finalizing an interagency agreement with a team of University of California experts. The purpose of this agreement is to provide expert consultation to ARB in reviewing analysis tools, like the policies and practices tool, to ensure that they appropriately reflect what the data and research support.

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MS. KIMURA: There are several milestones to be met over the next nine months. As RTAC recommended, we plan to work in an interactive fashion with MPOs to develop a technical basis for setting targets. As we move forward, staff's challenge will be to process and incorporate information from these efforts into an initial statewide target, and then to propose targets for each region by June of next year.

Through the summer of 2010, staff will solicit comments on the proposed targets and develop a final staff proposal for Board consideration by September 2010.

This concludes the staff presentation. Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you very much.

Before I turn to our list of witnesses, let me ask the Board members if there are any questions of the staff at this time.

Dr. Sperling.
BOARD MEMBER SPERLING: Just one quick comment before we get started on this.

Chairman Nichols asked me to be the liaison between the Board and the RTAC, so I attended many of the meetings and participated in a lot of the discussions. And I just want to say how impressed I was with the whole RTAC, the group, the meetings it held. It really created a discussion. It brought a lot of people into it. It was very engaging. It was very thoughtful and in the end I think came up with a very good product. I'll have some thoughts later about where it goes next. But I think it is something the whole group should be proud of. And I think it's also though a first step. And we all know there's a lot -- it's a long path in front of us. But it's very promising that this much progress was made.

ACTING CHAIRPERSON RIORDAN: Very good.

Supervisor Roberts and then Mayor Loveridge.

BOARD MEMBER ROBERTS: Thank you.

Just help me and review how we got here. And I know the legislation. We had kind of tentatively adopted some larger targets and I thought -- no?

EXECUTIVE OFFICER GOLDSTENE: Supervisor Roberts.

BOARD MEMBER ROBERTS: "Adopted" may be too strong a word.

EXECUTIVE OFFICER GOLDSTENE: In the Scoping
Plan, we put a number in which we indicated very clearly was a bogie of five.

BOARD MEMBER ROBERTS: No, I understand that. We looked at a whole lot of different categories. And for this particular category, I think we came up with five million metric tons or something like that.

EXECUTIVE OFFICER GOLDSTENE: Right. For purposes of the Scoping Plan.

BOARD MEMBER ROBERTS: For purposes of the Scoping Plan. But wouldn't that be a starting point for analysis at least?

EXECUTIVE OFFICER GOLDSTENE: Well, it can be. And we can get into more detail about that certainly.

BOARD MEMBER ROBERTS: I just was thinking, okay, we were going to look at that and see what that meant with respect to the areas that are involved in that number.

Okay. Specifically, the local land use and planning --

EXECUTIVE OFFICER GOLDSTENE: That's the challenge is figuring out the methodology --

BOARD MEMBER ROBERTS: Okay. So just in my own simple way of thinking about this, wouldn't you take that -- and now we're talking per capita. Wouldn't the first cycle through be, okay, here's what your regional target is based on your per capita?

DEPUTY EXECUTIVE OFFICER TERRY: Sure. And I do
think -- we did want to have the RTAC members speak to you first before we get into the general testimony, but we're happy to kick this off.

Certainly, the Scoping Plan is a starting point. And the way staff derived the placeholder that we put in the Scoping Plan was based on studies, based on a per capita assumption of a reduction of about four percent. So that is I think intellectually the starting point. But I think you'll hear good comments from the RTAC members about the emphasis of a back and forth on the technical work between ARB staff, the MPOs, and then our academic support over the next few months. So it's the combination of all of those activities that I think will lead us to re-evaluate that number. And so we're very open to where we end up in this process. So we're not starting with the premise that that number is the ultimate goal.

BOARD MEMBER ROBERTS: Okay. But we haven't had any testimony there's anything wrong with that number yet.

DEPUTY EXECUTIVE OFFICER TERRY: With the number?

BOARD MEMBER ROBERTS: I don't know what that number means in terms of how -- for instance, in our region, we would have three million plus people, and we'd have per capita our share of that number I would guess.

DEPUTY EXECUTIVE OFFICER TERRY: One thing we
need to be clear about is a per capita reduction. And I think you'll hear some comments on this.

What we're talking about is looking at a baseline of where each region is today and then looking at in the 2020 time frame and then 2035 as well what would be an ambitious and achievable target in terms of a percentage reduction in greenhouse gases on a per capita basis from where we stand today.

BOARD MEMBER ROBERTS: So -- okay. I'm a little concerned about that, because it seems to me we kind of bracket things on a big picture and now we're throwing that out.

I get a little concerned when I hear such great planning phrases as "well beyond business as usual," which makes me wonder what "business as usual" is. But I'm sure you guys know and specifically can guide us down that path.

And I have more concern that we lose sight of what we're really trying to do, and that's reduce greenhouse gases. And it seems to me that to the extent it's quantifiable and we can relate that to a pathway -- and I'm a little concerned we're getting off of that and we're starting to go down a path that we're going to see what you're doing today and we have to inflict something on you to make sure that you get to some level, even if
it's well beyond anything we ever imagined was going to come out of local areas relative to the bigger picture.

ACTING CHAIRPERSON RIORDAN: Mayor Loveridge.

BOARD MEMBER LOVERIDGE: I think we ought to wait. I mean, there is 22 people that are going to speak to us. And it's just interesting. I've rarely seen this before where all 22 are listed as being in favor of what is being introduced to us today. And it's clear this is not a final product; this is an ongoing work in progress.

I did want to make just a follow up. Mr. Sperling's comment, just some overview, just quick thoughts is that -- one is to thank the members for the really exceptional commitment of time. But this really in many ways is an historic proposal. For the first time I have any memory of where the State is attempting to get involved in what's happening in different regions. And normally the market social political forces triumph. And this is an effort to shape the urban form in ways I have no past memory of.

So I think this really is an historic proposal that is before us. As you'll hear, it's complex and difficult. What happened is you have people that sat around the table and began to -- and added value of the conversation. I think it emphasizes the importance of people coming to the table and kind of added value as they
talk about finding solutions.

I attended a meeting yesterday which was standing room only people wanting to find out what SB 375 is represented. There is enormous interest across the state. What we're doing here is important.

And one other thing I just wanted to applaud is that -- I'm never sure why we don't do more of it. But it seems to me as the State moves forward, we need to look to the University of California for its support and research. And I compliment the staff on tying this good work with good work at the university.

ACTING CHAIRPERSON RIORDAN: Very good. Thank you.

Ms. D'Adamo.

BOARD MEMBER D'ADAMO: Well, I think what helps me to put it into perspective here is the time line on the back page. So I want to make sure I understand it correctly. There will be the ongoing work between now and June 30th at which time those models will be further developed and I guess overlaid on each of the regions. So what would come out in June would be draft targets that would be based on this scientific model.

DEPUTY EXECUTIVE OFFICER TERRY: That's correct. And that is actually a statutory requirement that we have draft targets in the June time frame. But between January
and June, we will have an extensive public process. We'll put out proposed targets in June and then an additional couple of very intense months I believe to discuss those draft targets. And then staff will put forward their final staff proposal for this September Board meeting.

BOARD MEMBER D'ADAMO: Now, when we discussed this in the context of the Scoping Plan, I was one out there that was really pushing to go much further, not based on anything very specific. I just knew we wanted to go further.

So I do really appreciate what the RTAC has done to just dive in here and put together a framework that it will be based on sound science. So when it comes back, for those of us that want to go further or whatever persuasion you come from on this issue, at least we would have some specific modeling that will help us to better make the informed decisions.

The question that I have has to do with best management practices. I want to make sure I understand what that means. And just taking a hypothetical. Building a project that is adjacent to a transit system or putting in a bike lane, would those be examples of best management practice, an item that could be on this list?

AIR QUALITY AND TRANSPORTATION PLANNING BRANCH CHIEF KARPEROS: Those are two good examples. One of the
things that we've been looking at as we look at the spectrum of best management practices in the presentation -- we refer to it as policies and practices -- is that it truly is a spectrum. There are policies and practices at a very aggregate level that would say you increase the mix of the development down to a much more specific sort of policy, a bike lane, per se. And one of the things as we're trying to do in this policies and practices tool, working with UCs to identify the appropriate and supporting empirical data is how can we structure this to reflect the spectrum from the very aggregate level down to the very specific so it can be most useful to the local decision maker and the local planner as they look at that as a tool and how to bring it into the decision making and their local outreach.

BOARD MEMBER D'ADAMO: And then my next question is whether or not -- I imagine there would be differences. A bike lane in one community could get you a lot further in terms of reductions than other communities.

So would the modeling eventually become so sophisticated that this policies and practices -- I guess that's another term for best management -- that you could overlay the modeling in order to hone in and get some very specific detail.

MR. ITO: The challenge that the -- I'm Douglas
Ito with the planning group.

One of the challenges that the RTAC had in discussing the policies and practices was addressing the need for local government officials to be able to have a tangible way of describing specific actions that they want to move forward to with.

In addition on the other hand, what the empirical data say about much more generalized aggregate forms of these policies, such as increasing density or increasing the accessibility of transit.

And so what we're working on in terms of the framework is to be able to reflect something that's useful at a local very specific action level and is useful for the academic community and other experts and practitioners to be able to feed in what the scientific data say about the impact of these policies on reducing greenhouse gases.

And when that data comes in -- and there's also some work in this field -- the empirical side, the scientific data, can be used to improve the modeling tools that the regions are using that integrate these policies into their plans. And that will be reflective of what strategies they're doing, put it into their models, and then what reductions in greenhouse gases can come out of their processes.

BOARD MEMBER D'ADAMO: Okay. And then I would
just add that anything that can be done on co-benefits I
think would be very useful, especially to local planners,
who in some instances think they're doing the right thing.
But if they have the information before, it makes it
easier.

Thanks.

ACTING CHAIRPERSON RIORDAN: Dr. Sperling and
then Dr. Telles.

BOARD MEMBER SPERLING: So let me try to give you
the big picture, to respond to the initial Supervisor
Roberts's concern: How did we get to where we are?

I think it's important to point out that SB 375
is truly historic in the sense that we mock our government
in California sometimes as being dysfunctional. But here
we have a case of the Legislature passing this law, the
Governor signing it, with the intent of doing something
about our cities. That's what it really reflects is a
concern that the future of our cities in California, the
livability, the health is of concern.

And so this was an attempt to deal -- it's
explicitly addressing the greenhouse gases, but it was
actually premised in a much broader concern about land use
and the nature of the cities themselves.

And so it was really historic, and it's important
because for the first time now we do have a legal
framework for actually doing something about an
overarching framework dealing with the vehicle use,
especially as well as supporting some of the land use
planning efforts going on.

In the transportation profession, there's been
transportation demand management for decades that has been
largely unsuccessful largely because it's not been rooted
in any kind of legal framework. So it's historic in that
perspective.

The other point is about this five million tons.
So, you know, this is partly my memory of our discussion
at that time, but having been deeply developed with it as
were many of the RTAC members. There was a lot of
discussion about what exactly is the right number. And in
the end, we used that -- as Mr. Goldstene said, we used it
as a placeholder, the five million, because there was a
lot of the concern, a lot of evidence that the number
should be much higher, but we never felt confident we had
the sound scientific basis to do that. And we kind of
left it fairly open we would use that as a placeholder and
would be re-visiting it through this process here. And
that is what will be happening in the next six months on
that.

I also want to say that this is important,
because what we're really doing is putting in place a
process. We're putting in place a process that a
long-term durable framework going into the future about
how we're going to oversee the vehicle use and land use
into the future.

And the law, quite frankly, is quite weak. And I
think everyone on the RTAC and anyone that's thought about
it would acknowledge that. But we all look at it as the
first step. And so part of the issue about resources is,
you know, we do need to come up with resources that
support the efforts of local governments to do some of
these things that are going to be identified. So that's
got to be a major part of this process as we go forward.

And the other part is dealing with the data and
models. You know, a lot more effort is going to have to
be done to be able to come up with better data and models
that can actually be used effectively for compliance
purposes and planning purposes.

And I think, you know, we're engaging a lot of
faculty, a lot of researchers in the U.C. system
especially, and I'm encouraged we are moving in that
direction. It will take time, though. So that's kind of
the big picture before we get into the gory details here.

BOARD MEMBER TELLES: When this first came up
almost a year ago, I made mention that there's one region in California that already has policies and procedures in place that is somewhat addressing this issue indirectly by addressing emissions for air pollutants. And that's the San Joaquin Valley, which has its indirect source rule in effect as approved by the Board at the San Joaquin Valley Air Pollution Control District. And at that time I also asked when this was looked at would you look at that particular rule and just kind of use it maybe as how beneficial that would be for the RTAC and coming up with some guidelines. And was that done? Did RTAC look at the indirect source rule in San Joaquin County at all? Since it's already been in place now for three or four years and it's functional and effective at reducing emissions, it's been proved in the San Joaquin Valley, I was just wondering if you looked at the first historical effort to address this issue.

DEPUTY EXECUTIVE OFFICER TERRY: There was discussion. And perhaps some of the RTAC members who had opinions would like to comment on that for your benefit.

ACTING CHAIRPERSON RIORDAN: We'll have that done.

Supervisor Yeager.

BOARD MEMBER YEAGER: Yes, thank you.

I also appreciate all the work that the RTAC
members did.

As I was reading it, I had a number of questions that would come up in my mind, only to be relieved that they were addressed later on. So I think you really were trying to capture all of the angles. Because you all come from different sectors in the state and in business, I think you were aware of the various issues. So you must have had some wonderful discussions.

I think my main concern is -- and maybe staff can address this as we go forward with this between now and June -- of making sure we're looking at as many of the sort of competing goals that we have out there. I mean, certainly now we've put this overlay of greenhouse gas emission reduction targets on land use because of 375. And it's fine for us to sort of focus on that and say, okay, that's the goal. But for someone like myself who comes from local government and serves on a lot of regional boards, I understand that there's many other priorities that we're supposed to be looking at. And I don't know how that's all going to fit in.

And maybe to mention a couple of them, certainly when you think of the housing assessment needs we have, we want to make sure that we promote affordable housing and in-fill housing. But so how do we try to achieve those goals knowing that for some developers and for some cities
there may now be additional requirements put on them and
so therefore aren't as aggressive as they might want to be. And how do we fold into this everything that's
happening with redevelopment throughout the state. As the
state continues to take dollars away from redevelopment,
it's those dollars that actually go towards affordable
housing more than any other dollars. So we need to
understand that.

And the state also continues to raid transit
capital funds. So all of a sudden now if you don't have money for
housing or transportation, you now want to make sure you
have these greenhouse gas reductions.

So all of it is happening at the same time. And
local jurisdictions then are sort of responsible for
carrying these things out. Also finding that they don't
have any extra planners on their staff to do any of this
work.

Just one more thing. In this economy, a third of
all the jobs we've lost have been in the housing
construction. So if we're ever going to come back with a
strong economy, it's going to be in housing. So we in a
way want to make it easier, not harder.

So I just hope this all becomes part of our
discussion and just not look at one thing. And depending
on what kind of staff reports we get in the future, if you
could tie these various things in. And certainly I think that's going to help the regional planning bodies a lot, but also local government that I think is finding it's being asked to do more and more with fewer resources.

EXECUTIVE OFFICER GOLDSTENE: I think following on what Mr. Loveridge and Dr. Sperling were talking about earlier, why 375 is historic is for the points and the questions that you're raising, Supervisor Yeager, which is it's attempting to align housing and transportation and greenhouse gas reductions and even co-benefits from other pollutants together to try to align all that up at the same time.

Those are all excellent questions. And they all have -- we agree and I know the RTAC agrees that all has to be looked at simultaneously.

ACTING CHAIRPERSON RIORDAN: Supervisor Roberts.

BOARD MEMBER ROBERTS: To some extent, I think Professor Sperling maybe made the point I was trying to make, but he was making it from a different perspective. And I'm making it from a point that I'm frightened by this. For this Board to get involved as a principle in land use planning, we have no experience. We have very little knowledge. The staff has very little knowledge,
with all due respect.

To discard what's being done and has been done at the local level is a supreme arrogance that I'm seeing. And to be doing this at the same time -- you didn't reduce transportation. Sacramento cut out all the transportation dollars, all the public transportation, at the time they're telling us that public transportation is the key to the future.

The state is dysfunctional. And it's schizophrenic. And what I'm concerned about -- we've been successful, because we have understood air quality issues and we focused on air quality issues. And I'm afraid now that we're getting way off. That's why I asked at the beginning is this about greenhouse gas. And Professor Sperling answered, no, it's about land use planning in addition and it's about all these other things. Those things have always been incidental.

We've never been in a position to try to rule on the local land use planning. And now we're doing that and we're saying, well, we'll set some rules based on it's got to go beyond business as usual in spite of the fact that business as usual in some areas may produce the savings we need as far as the greenhouse gases are concerned. It seems to me it ought to be principally driven by the greenhouse gas issue.
And I'm afraid that from what I'm seeing and from the comments I'm hearing we're all of a sudden assuming that there is some qualifications on this Board and specifically in this organization that has -- and University of California and I'll include them -- has created some type of super planning agency with an ability to go in and create cities and communities in a way that the local governments can't do themselves. And I think that that is a wrong, and I think it's taking us in a direction that this Board hasn't been informed on. And in that sense, it's historic. It doesn't mean it's right. It doesn't mean it's proper. It's definitely is historic.

BOARD MEMBER SPERLING: Let me --

BOARD MEMBER SPERLING: Let me --

ACTING CHAIRPERSON RIORDAN: Wait. We cannot debate this. This is obviously a range of divergent views that is replicated in the state of California.

So, staff, you have my blessing to try to figure it all out.

But here's what I do know. I do know the clock and I do know the time. I want to move to these people who have been so patient and waiting to testify.

I also need to be aware of my court reporter over here.

And so here's my take on this. I'd like to ask Mike McKeever to come forward first, give him the
opportunity to testify. I know it would be the biggest challenge of his life to meet our three-minute rule. But that's what we have to do.

Then I'm going to take a ten-minute break. And I'm going to begin with Linda Parks, Greg Devereaux, and Gary Gallegos to follow. And let's move this along, because we've got a much bigger picture here and we can't solve all of this today.

So Mr. McKeever.

MR. MC KEEVER: Thank you much, Madam Chair, members of the Board.

Your discussion sounds like an RTAC meeting, literally. Very broad set of issues that you -- the bill, the law, and you gave us to deal with. Very broad set of people that you appointed to the RTAC. And I don't pretend to just assume that we handled all of those issues exactly to all of your satisfaction. But I will tell you that all of the issues that you -- good questions that you've raised so far, we have spent a good deal of time on. Clearly from the philosophical issues of what's this law all about to the very details under the hood, how do the models work, and how do some fairly arcane federal regulations work and effectiveness.

So I think the report hopefully you will see as good news.
I'm just going to make a couple comments on the process and then make one substantive comment at the end relating to Supervisor Roberts' issue.

I do think that this is not a classic regulatory kind of a bill, and it really relies on the good will and the broad political support and the broad base across the state in order for it to succeed.

And I think the very best piece of news out of your RTAC process is that the political coalition that did exist that resulted in the bill becoming a law in the first place I think it's fair to say has now been broadened in the sense -- not going backwards and re-debating whether the law should have been passed, but taking the assumption that the bill is now a law and it is in all of our interests to figure out how to implement it as constructively and effectively as possible.

And so you had 21 people, very diverse range of people inside the government, outside the government, in the business of building houses and commercial properties, to advocates on the affordable housing and social equity and the environmental side. And I'm very proud to say that the report that you have in front of you does represent the unanimous opinion of those 21 people. And hopefully that has some relevance to how we go forward.

As Dr. Sperling said, and I know others believe
too, there is a lot of heavy lifting in the future. There
is a lot of detailed work to be done.

And just to the point of the absolute metric tons
versus the per capita, one of the things that you will get
out of the very next phase of this process, which is the
scenario modeling and the planning that's going on right
now, is some much better per capita information and
absolute tonnage information that you had when you adopted
the Scoping Plan. I'm not a scientist myself. But it
will be at least an order of magnitude better than what
you had in front of you and what you needed to take action
on that Scoping Plan. So your ability to get to the
specific targets is going to be much enhanced I think as
this moves forward. Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you. And
thank you very much for your effort.

As I mentioned early on, Chairman Nichols wanted
to recognize you. And obviously if you had a discussion
like we've had a discussion, you must have had some long
meetings.

At this moment, it's 11:00. We'll reconvene at
ten after 11:00. That will give us a bit of a break.
(Thereupon a recess was taken.)

ACTING CHAIRPERSON RIORDAN: As most of you know,
colleagues to join us from back there, in the interest of time, I'm going to move forward. And I said I would start with Linda Parks.

MS. PARKS: First, I just wanted to give my appreciation to the CARB for the excellent selection of the RTAC. I really do appreciate the diverse group that you put together representing different sectors, geographically, and then also getting kind of policy folks and the science wonks on there, too. And it proved to be a lot of interesting, spirited, and passionate debate. And it was said at the beginning we probably wouldn't reach consensus, and I think it's amazing that we did, to tell you the truth. And I'm really happy that we did and to the point it was unanimous consensus at that.

I also wanted to talk about the short time frame we are on, and it's a short time frame that you are on. So it's understandable. You have until June 2010 to come up with draft targets. And I think because of that very tight time schedule, we really need action. And if there's anything I would like to leave my three minutes of coming to Sacramento for, it would be pushing for CARB to do some action both in terms of the fact that I was hoping this was going to be an actionable item that you would be adopting the RTAC recommendations today, hopefully maybe you can do that at our next meeting. A lot of action
needs to occur.

For example, there is a recommendation in the report, as mentioned by your excellent staff, that talked about having to work on getting those policy and practices tool working out with UCLA. And I would really encourage movement on that, because you're going to have to have that information prior to coming up with your target. And that's again trying to look at the best management practices and assigning some greenhouse gas emission reductions to those individual type of practices. And I think that's essential, and I encourage action on that.

I also want to encourage action with the target setting that will allow for sustainable community strategy plans to be adopted. If we are in a situation where many of the MPOs are going to be doing APS's, the alternative planning strategy, we're not going to have the action we need to reduce greenhouse gas emissions in the state of California. It will become an advisory -- APS is really an advisory look at planning. And it isn't the actual actions that you would get if we adopt the SCS's.

So, to me, I think it's important we do what we can, have those targets be achievable at least initially. Really work to make sure everyone is on board. You could ratchet it up in the future. But I think it's really important to make sure we can have action. Because I
think it was just two days ago it was shown that the
greenhouse gas emissions caused by carbon emissions are a
lot higher than, for example, you and the panel ever
thought is the worst-case scenario. Encourage that
action.

Thank you very much

ACTING CHAIRPERSON RIORDAN: Thank you very much.

And thank you for serving on this Committee for us.

Greg.

MR. DEVEREAUX: Madam Chair, members of the
Board, I'm Greg Devereaux, city manager of Ontario, RTAC
member representing the League of California Cities.

Through many conversations, it's become clear the
scope of change, which is contemplated in SB 375, has
created concern, uncertainty, and even fear in some of
those with whom we work at the local level.

In part, the uncertainty stems from unknown costs
potentially occurring as we struggle to work our way out
of the current economic downturn. This is coupled with
the dramatic reduction of transit and redevelopment
resources available to implement some of the most
effective approaches to vehicle miles traveled and
greenhouse gas reductions.

And finally, a concern that some involved in the
decision-making process don't fully appreciate or
understand the market realities in different parts of the state.

Densities that work in some markets are not economically viable in others. It’s great to encourage transit oriented development. But in some areas, we can only have transit ready development, because transit won't be there for a decade or two. The fear is that these factors will not be adequately considered when determining what is ambitiously achievable.

Many cities were growing smarter and becoming more sustainable before AB 32 and SB 375. After an intensive four-year process, the city of Ontario will adopt a general plan update that seeks to create a complete community, which is consistent with the regional blueprint and helps to meet the region's need for housing and employment by intensifying development in strategic areas, more than doubling our population and tripling the jobs provided within the city, becoming a regional jobs center; a plan design to use resources wisely and sustainably, be pedestrian friendly, and be linked externally and internally with transportation options; a place where families can live, work, and play; in short, a place where families can meet their needs and desires of their lives without getting in their cars.

But in growth opportunity areas such as ours, it
must be acknowledged that greenhouse gases will rise
locally in order to reduce them regionally. The RTAC
realized early on that SB 375 isn't about simply reducing
greenhouse gases. It is about how do we provide the
housing and jobs needed to house and provide employment
for a growing population while reducing greenhouse gases.
Thank you very much.

ACTING CHAIRPERSON RIORDAN: Thank you very much.

Point well taken. Thank you.

Gary Gallegos, followed by Steve Heminger and
Amanda Eaken.

Mr. Gallegos: Thank you, Madam Chair and members
of the Board.

My name is Gary Gallegos. I'm the Executive
Director for the San Diego Association of Governments,
also known as SANDAG.

And let me start by thanking you for the
opportunity to serve in this task that 20 of us had to
bring you some recommendations. And I'd like to focus my
points and maybe help a little bit in the discussion you
were having on the need for -- I think we recognize -- I
think you recognize in trying to figure out how you set an
ambitious and achievable target is how do we make this
work and the need for there being a lot of collaboration,
a lot of interaction, because in this new world where
we're starting really a new relationship, I think with ARB and the COGs is to really have a bottoms-up process so we can truly tell you what we think we can accomplish.

The idea that's in this report that comes from the bottoms up approach gives us an opportunity to have some interaction back and forth and see how far we can stretch and see what we can do, so at the end of the day not only your staff, but you as a Board, are more informed as to we, the mice that are in the treadmill, think how fast we can run and try to figure out how fast, how ambitious we can make the goal, and still make it achievable.

And I think that connection is really important, because as you learn more about us -- what I would share with you today is that we're a collection of our cities and our Board of Supervisors. And so at the end of the day, you know, the COGs also have to go back to cities and back to our Board of Supervisors. So if these are going to be successful, we have to have buy-in at city councils. We have to have buy-in at the Boards of Supervisors, because that's where a lot of the land use decisions that are going to affect us really need to be implemented.

So that's why this report sort of brings the emphasis that we need a lot of collaboration and we need a lot of buy-in from the bottoms up. And I wanted to
emphasize that. Because hopefully that will help you in
your debate as you try to figure out what and how you set
the most ambitious but yet achievable goal.

And last but not least in the minute I have left, almost by bad luck, San Diego happens to be the first
major area responsible for doing an RTP. So I want to
stress the importance of you staying on time. If you
adopt your goals in June, we got to have an RTP adopted
about a year later, in June/July of 2011. That's not a
lot of time.

These RTPs are not easy. There is a tremendous
amount of work. There's a tremendous amount of outreach
that it takes to make these work in our communities.

So I want to stress the importance of staying on
timeline, because you have to finish your work in order
for us to do our work. And if we don't get this done on
time, there is consequences. We've got federal dollars
and State dollars that if we don't have a RTP are in
jeopardy. So I want to emphasize the importance of as
hard as this is staying on time.

And, again, I'll thank you for this opportunity
to serve.

ACTING CHAIRPERSON RIORDAN: Thank you. Your
point is well taken. You can't be on time if we're not on
time.
Steve.

MR. HEMINGER: Good morning, Madam Chair and Chairman.

Steve Heminger. I'm Executive Director of the Metropolitan Transportation Commission, which is the MPO for the San Francisco Bay Area.

I'd first of all like to thank both your staff and our Chairman Mike McKeever for dealing with a fairly unruly bunch.

I would also like to urge you to adopt all of our recommendations, except for the one that says we should continue to meet. I would like you to ignore that recommendation.

What I'd like to do in my three minutes is return to some of the themes that Supervisor Yeager advanced. And since he's a member of my Commission, I'm glad we're listening to each other in trying to sort our way through this very significant new statute.

I'd like to talk about two challenges and two opportunities.

Challenge number one is that what SB 375 does essentially is graft a climate imperative onto an infrastructure plan. And that's an odd match to start with. But it's especially challenging given the fact that those infrastructure plans are incredibly resource
constrained. And they are all in the major metropolitan areas in California in maintenance mode. I think the four metropolitan areas, the biggest ones, they're spending 50 percent or more of their money just to operate and maintain the system we've already built.

In the Bay Area, we're spending 80 percent of all of our funds on those purposes. And I don't think we should stop. I don't think you want us to stop doing that. But that clearly constrains your ability to move folks around in terms of new capacity when you've got 80 percent of it going just to take care of what you've already built.

The bill also incorporates the housing needs process that has been dealt with separately heretofore into the middle of this. And clearly housing and how we grow has a lot to do with greenhouse gas emissions. But even in a boom time, we build houses pretty slowly in California. In a bust, like we're in, we don't build them at all.

So, again, in terms of making a change in behavior in making incremental improvement over a vast array of transportation and housing infrastructure, we can only go as fast as we're building the stuff. And for both transportation and housing, my view is over the next several years we'll be doing both of them fairly slowly as
we recover out of this horrible economy.

Given that, what can we do in the near term?

Because there is in the statute a 2020 interim milestone.

And I would suggest two opportunities.

The first one is road pricing. And whether you call this congestion pricing or variable pricing or hot lanes, whatever you call it, a lot of people don't like it, because it involves basically the notion of raising the cost of driving, especially during peak hours. But study after study, experiment after experiment, we have some have these lanes in place here in California demonstrate that they work.

We need your help. And we need your political help to get authority to do those things from the Legislature and to put them into place near term in our regions around the state.

We also need your help in keeping our public transit money so that the public instead of having to pay those higher fees has an option to get around.

The second one I would mention, you all are the car experts. You're worldwide recognized for your leadership in that area. Our plans spend money typically on infrastructure, roads, bridges, transit systems. We can all also spend money on EV infrastructure as an example and other strategies that will accelerate the
conversion to a greener fleet. And we would like your assistance and would welcome your partnership in pursuing some of those strategies in our infrastructure plans as well.

Thank you very much.

ACTING CHAIRPERSON RIORDAN: Thank you very much.

And we appreciate your emphasis as well.

Let me call on Amanda and Barry Wallerstein and Stuart Cohen.

(Thereupon an overhead presentation was presented as follows.)

MS. EAKEN: Good morning, Madam Chair and members of the Board.

My name is Amanda Eaken. I work with the Natural Resources Defense Council. And it was my pleasure to serve on RTAC.

And I want to spend a few moments talking today about ambitious achievable targets, because the Committee didn't spend as much time as we would have liked on the subject. And I think it's a question you all will have to wrestle with.

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MS. EAKEN: I think we want to argue that business as usual land use planning is neither ambitious nor achievable. And, in fact, the type of planning that's
going to help us attain ambitious targets is not only achievable at the local level, it may be highly desirable in terms of market demand. And it may be the only kind of planning that's actually economically feasible given our state's economic crisis.

I want to point out that there's some substantial seismic shifts going on in the population that mean we're going to see a very strong shifting demand for a different kind of housing product. In 1960s, we had about half of all households consisting of couples who had at least one child. Year 2000 is about a third. And in the time line of most RTPs, it's going to being basically a quarter of families that meet that typical nuclear household demographic. What this means is that we're going to see a very different demand for housing.

Next slide.

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MS. EAKEN: The Urban Land Institute and PricewaterhouseCoopers in their emerging trends in real estate report 2010 came out basically suggesting we're going to see more demand for in-fill, transit-oriented developments, smaller units, closer to work. And people will continue to see greater convenience. And this is investment advise for those investing in real estate -- shorter communities and people are continuing to be
sensitive about rising energy prices.

Next slide.

MS. EAKEN: What does this mean? It means according to a Professor from the University of Utah, if we stopped now building large lots single-family sprawl, we would still have too much in the year 2030.

In short, we don't need any more large lot single-family sprawl. We're going to see a lot more market demand for smaller units, attached units, in-fill housing, close to transit, near jobs, near walkable communities.

Next slide.

MS. EAKEN: I'd also like to point out that building in areas with existing infrastructure just has to be cheaper than building sprawl. We're taking advantage of existing infrastructure. We're not building new roads, not building new sewer or water to service this new demand.

So it may turn out to be that the kind of planning that helps us achieve targets and meet this market demand also save local governments in a conservative scenario $54 billion by 2020, slightly more aggressive smart growth scenario, 80 billion by 2020.
But where are we going to get the extra $54 billion to finance this business-as-usual sprawling land use paradigm? I don't think the money exists. I'd like to see it if anybody knows where it is.

So next slide.

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MS. EAKEN: I just quickly share some recommendations I wanted to flag on how can we take advantage of this win-win-win opportunity to meet this rising market demand.

RTAC was very clear we need additional sources of funding for planning and transit. I just wanted to highlight just one thing that the EAAC is coming out with their recommendations on how to spend money from a cap and trade program. And I think the planning funding for the local governments to make sure that we have this efficient resources to make this happen at the local level should be very high on your list of recommendations.

Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you very much.

Barry Wallerstein, followed by Stuart Cohen.

MR. WALLERSTEIN: Good morning, Madam Chairman and members of the Board.

I'm Barry Wallerstein, the Executive Officer of the South Coast Air Quality Management District. And I
had the pleasure of being the CAPCOA representative on the
RTAC.

And let me underscore it really was a pleasure
and that your staff did truly an excellent job of
supporting the Committee. And the fact that we came to
consensus I think speaks volumes about your staff's work
and also our Chair, Mike McKeever.

When I approached the subject matter of this
Committee, of course, I was interested because AB 32 and
climate change. As I listened to the discussion over the
many months, I naturally would put it in the framework of
what I do year in and year out of air quality management
plans. And so for decades, nearly 30 years of my career
has been spent putting together air quality management
plans. And we always take the regional transportation
plan and in essence incorporate it by reference and we
take credit for the local emission reductions that might
occur due to measures to improve mobility. But never has
there been what I would view an air pollution target. SB
375 now establishes through this Board a greenhouse gas
target that is to be worked towards to be achieved as part
of the regional transportation plan. And so, to me,
there's a lot of parallels.

But as was evidenced by your Board's initial
discussion, there are a tremendous number of issues,
including technical issues about the models, consistency
of models, region to region, consistency of assumptions,
an understanding of the best management practices. What
is the list? What is the amount of greenhouse gas
reduction per measure for collection of measures and so
on?

And so after listening to the Board's initial
discussion, I decided to change my comments a little bit
this morning. And I would like to make a single
recommendation to the Board. And that is that you
contemplate scheduling sometime in the not too distant
future a special study session of this Board on the topic
of SB 375 so that the questions that were being raised by
the Board members really can be vetted with experts to
provide input to the Board so that when it gets to the
final decision in September and you go to establish the
targets, you'll be able to do it without having just
three-minute sound bites from witnesses, but a much fuller
understanding by the Board members as you approach that
critical decision.

I also think in these first few months it is
absolutely important that we work with your staff, and the
air districts are committed to this, on public outreach
for understanding about SB 375 and that we get those best
management practices defined so folks know what to do as
they start moving forward.

Thank you for the opportunity to address you this morning.

ACTING CHAIRPERSON RIORDAN: Thank you. And thank you for the suggestion.

Stuart Cohen.

BOARD MEMBER SPERLING: I note there is a recommendation the RTAC not meet anymore but that we have more meetings.

(Laughter)

(Thereupon an overhead presentation was presented as follows.)

MR. COHEN: My name is Stuart Cohen. I'm with a nonprofit called Transform based in Oakland. And thank you for listening to us today.

I just wanted to quickly address the issue of the economics of SB 375 and the cost to both the public and private sector of transportation.

We are releasing a report today called "Windfall For All" that looks at some of the potential economic savings of implementing SB 375 if we do it correctly, and it's a big "if". And so I wanted to share a few of those with you today. There's first a map up on your screen is just --

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MR. COHEN: -- a map of some of the personal transportation costs in the bay area, the lighter colors denoting lower costs.

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MR. COHEN: The next map is a CO2 map. And there's not a pure but a close similarity between the two maps. Basically, the lighter colors are areas that are spending less on transportation are also emitting significantly less CO2.

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MR. COHEN: And when we broke this down, we broke it down by quintiles. So the smallest bar there are the folks that have the best public transit access, the 20 percent of Bay Area residents with best public transit access. They are saving a tremendous amount of money emitting less CO2. When you do the calculations on this, what we find is that the Bay Area residents are spending $34 billion a year on transportation. If they were all spending like that smaller quintile there, they'd be saving about ten billion in total.

To give you a sense of scale, our public agency, MTC, only spends about 4.6 billion. So the public spends a lot more money than the government spends on providing roads and transit.
MR. COHEN: This is pretty similar across the state, although less steep in other regions where the transit access is not quite as good.

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MR. COHEN: And when you look at what the CO2 reduction potential is, if everybody had this good transit access, which is also collocated typically with more compact walkable communities, you'll see the range in the CO2 reductions would be about 27 to 42 percent, very much in keeping with a lot of the empirical literature.

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MR. COHEN: But our report also has nine great case studies that I hope you will focus on. My favorite is from U.C. San Diego where in 2001 they started both building garages to accommodate a very fast growing student and faculty population and as well as implementing transportation demand management.

And after six years of this, they did an analysis and realized that they could actually provide these alternatives at a much, much lower cost. And they've now scrapped the plans for their next ten garages, which would have been over $27 million each.

Their solo driving to campus has gone from 66 percent to 46 percent in eight years. They're on track to meet a climate goal of 38 percent. And if they do that,
they'll be saving over $5 million a year for the campus.

So in a lot of places, these issues line up. We

need to find those savings.

And we have a lot of recommendations in the

report that may help, including indirect source review.

ACTING CHAIRPERSON RIORDAN: Thank you very much.

Dr. DiLibero, followed by Dr. Janet Abshire.

DR. DILIBERO: Madam Chair and Board members, I'm

Dr. Ralph DiLibero. I'm the former president of the Los

Angeles County Medical Association, LACMA. And I'm

presently the Chair of LACMA's Clean Air Committee.

LACMA has a long-time interest in promoting clean

air and healthy lifestyles. Back in the 1920s, few people

were interested in air quality, but a LACMA physician

then, Dr. John Barrow, changed all of that. He discovered

and then reported that air pollution was more responsible

than illness for the death of one of his patients and

responsible for chronic illnesses in many more of his

patients.

In 1943, LACMA created an Air Pollution Committee

to monitor the ill effects of air pollution as the

official advisor to the Los Angeles County Air Pollution

Control Department. LACMA physicians were the first to

officially declare that smog endangered the public health.

In 1950, the fact that cigarette smoke is fatal
was first introduced by a LACMA physician, Dr. Albert Fields.

In 1956, LACMA issued a report outlining specific
air pollution effects and successfully lobbied for
automobile emission standards in the state of California.

Residents from homes close to the freeways were
shown to be proportionately more in danger which raised
the specter of environmental social injustice.

There are a plethora of other dates and mileposts
I can recite. Solid evidence-based medical knowledge now
proves toxic air effects of air pollution.

LACMA continues to fight for a healthier patient
lifespan to the point where, due to the influence of
LACMA, specific questions are now asked of pulmonologists
regarding air pollution for recertification of their
Pulmonary Medicine Board status.

On a personal note, I can hardly believe I once
lived in south bay of Los Angeles and drove to Hollywood
every day. I now live in Sacramento. I walk to work
every day. And it's amazing. You get to meet your
neighbors, arrive at work, you know, in a much better
mood. You lose some weight. And you really breathe
better also. You know, just bicycling -- just bicycling
comfortably at five-and-a-half miles per hour is the
equivalent to scrubbing a floor. What would you rather
In a state where 19,000 premature deaths every year are linked to air pollution, much of that from transportation-related pollution, we would all breathe easier if we had more options to walk, bike, or take public transportation.

The California Medical Association, CMA, at their October 18, 2009, House of Delegates adopted Resolution 713-09, sponsored by LACMA and the American Lung Association, which resolved that the CMA support efforts to reduce emissions.

I now on behalf of LACMA and the CMA urge the Board to set high targets to push for local action, to develop ambitious regional targets for local governments to reduce greenhouse gas emissions, and support land use and transportation strategies to meet those targets.

Thank you very much.

ACTING CHAIRPERSON RIORDAN: Thank you very much. Dr. Janet Abshire and followed by Parisa Fatehi.

DR. ABSHIRE: Thank you for hearing me today. I was invited to speak by the American Lung Association. I'm Dr. Janet Abshire. And I've been on the front lines in occupational medicine and environmental medicine for about 14 years seeing patients. I also have a background in nutrition science as my pre-med, very
prevention focused.

And I'm honored to speak today, because I really feel like I'm morally obligated as a medical professional to stand up and help try to change policy at this point in time. And I think that in 1962 we had a similar time when physicians stood up and wanted to make sure -- and this was during to Cuban missal crisis -- because there was such a high stakes of human impact.

And similar today, I think I would like to just clarify compliments of a U.C. San Francisco University of California San Francisco conference this last weekend on Sunday, we had a nice review of climate change. And so some of this evidence is from that conference. We studied how ozone -- looking at ozone alone, which is highly toxic and it gets worsening death rates as the temperature increases. So as climate change goes up, it's even more toxic.

But looking beyond just the epidemiological data and looking at the actual tissue damage, I just want to emphasize that, like the doctors back in the Cuban missal crisis, there is no medical solution. There is no advanced medical technique, or in the future we're not going to be able to come up with some treatments that are going to be able to fix the lungs, because there is oxidative damage at the tissue level. There's lipid
peroxidation which destroys the film membranes. There's
also neurological impacts that cause the bronchide to
spasm and there's free radical damage that causes
mutations.

So I just would like to emphasize that, you know,
the human impact is really high. The stakes are really
high. And whatever we have to do, we have to do it. And
I don't see how we can actually reduce global emissions
without creating an infrastructure that also includes bike
paths and walking paths and smaller concentration of
businesses so that people can not commute so far.

And so I always tell my patients to exercise,
whether they're healing from a back injury or just general
health. I tell them get out and get more exercise. And
they always come up with the same excuse. It's like,
well, you know, I can't seem to find the time. I don't
feel safe jogging in my neighborhood. I live too far to
bike or walk to the store or walk. This needs to change.
And I want to emphasize that.

I have a letter here -- a statement from the
American Lung Association, and it was signed and supported
by not only the American Lung Association, but the
California Academy of Family Physicians, California
Medical Association, the California Thoracic Society,
multiple local medical societies, the Community Action to
Fight Asthma, public health law and policy, Public Health Institute, and the Physicians for Social Responsibility, both the San Francisco and Sacramento Chapter, the San Francisco Sonoma County Asthma Association, and the White Memorial Pediatric Medical Group.

ACTING CHAIRPERSON RIORDAN: Thank you. We'll make that part of the record if you'll give that to the clerk. And thank you for your taking your time to be here.

MS. FATEHI: Good morning. My name is Parisa Fatehi. I was with Public Advocates. We are a nonprofit law firm and advocacy organization that challenges the systemic causes of discrimination and poverty. We have a particular focus on equitable land use, housing, and transit policies.

So we agree with RTAC's statement in their report that inequitable land use practices and inadequate public transit access as well as economic and racial segregation can result in exclusion limitation on employment opportunities, sprawl, and excess VMT. In other words, you can't effectively reduce VMT without also ensuring equity for low-income communities through housing affordability, reliable and accessible public transit, and protection from displacement, among other things. We commend the RTAC for its foresight in prioritizing social
I'd like to highlight three of their important recommendations.

1. The Board should incorporate social equity factors, like I just mentioned, in the 2010 GHG target setting.
2. In order to do so, the Board needs to secure more data collection and modeling on factors like the jobs/housing fit to quantify how practices that do promote social equity help reduce VMT.
3. Once quantified, we need to make sure that the practices that promote both social equity and VMT reduction are the practices that MPOs include in their sustainable community strategies.

Public Advocates looked forward to working with the Board and MPOs in the coming months and years as you set ambitious achievable targets and as the MPOs take on the design and implementation of their SCS's.

Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you very much.

Thank you for being here.

Edward Thompson, followed by Julie Snyder, and Autumn Bernstein.

MR. THOMPSON: Good morning, Madam Chair and members of the Board.
I'm Ed Thompson, California Director for American Farmland Trust, which is a nonprofit organization dedicated to conserving the resources on which our food system depends. And I'd like to highlight for you -- if I can get this mike to actually stand up here -- I'd like to highlight for you the RTAC recommendation on the co-benefits of what has been recommended, particularly those related to the conservation of farmland. We're losing 40 to 50,000 acres of farmland in California every year. It's about 65 to 75 square miles. And most of that is being lost to urban sprawl. We're gratified -- we're encouraged that some of the same solutions to the land use and transportation patterns that are going to save the climate are also ones that will save California agriculture and the farmland on which it depends. Inevitably, the kind of solutions we're talking about here today will require that urban development patterns become more efficient in using land, using less of it per capita. And that, as it turns out, is the principle strategy for conserving farmland in the state where almost every city is located in the midst of the prime farmland and is expanding out onto that land. In the San Joaquin Valley, for example, which supplies over half of California's agriculture production,
we're paving over an acre of land for every eight new residences. Think of two four-person football playing on the grid in the Roseville, and you begin to get an idea how inefficient spread out that is.

By contrast, southern California is about twice as dense overall. And the Bay Area and here in the Sacramento region, it's almost three times as dense. So we can and must do better there.

Modeling that was done for the recent blueprint planning process in the San Joaquin show there is a clear correlation between more efficient urban growth, reduction of greenhouse gases, and conservation of farmland. The models that were done there show that a fairly aggressive smart growth strategy would result in the savings of 20 percent greenhouse gases and over 50 percent in farmland conservation.

So we urge you as you consider the RTAC recommendations and go forward with this that you pay attention to this very important co-benefit of the strategy so we're not only saving ourselves from a climate disaster but also saving the land that feeds us.

Thanks very much.

ACTING CHAIRPERSON RIORDAN: Thank you very much. Julie Snyder, followed by Autumn Bernstein, and followed by Sabrina Means.
MS. SNYDER: Madam Chair, members, thank you for the opportunity to testify today.

My name is Julie Snyder. I'm the Policy Director for Housing California.

Housing California is the statewide advocacy and education arm of the nonprofit development and homeless shelter and provider communities in California. Our members build and own high-quality apartments, shelters, and single-family homes that are permanently affordable to lower income Californians.

We've been at the table and will continue to be at the table, because we anticipate that this Board's directives around SB 375 will impact both land prices and the availability of residentially-zoned sites. And that, in turn, will impact obviously the opportunities for our developers to build the homes that our growing population needs.

In this context, we, like everybody else who's come up, would urge you to fully implement the RTAC's recommendations. We believe they very carefully balance the greenhouse reduction goals with the social equity consideration of the impacts on lower income Californians and California's housing markets.

And I'd like to draw your attention to three recommendations, in particular. One of them has been
mentioned by my predecessor, Parisa. First, that the ARB "take all steps necessary" to ensure that either the State or metropolitan planning organizations update data collection and modeling in order to quantify the greenhouse gas emission impacts of housing affordability, gentrification, and the jobs/housing fit.

As defined in the report, the job/housing fit is the extent to which the rents and the mortgages in a community are actually affordable to the people who work there. It's a deeper level of analysis than jobs/housing balance, a phrase that many of us have gotten used to using in a number of local governments and regional governments are measuring. The jobs/housing balance measures the aggregate numbers of jobs and the aggregate number of homes. It doesn't attempt to compare how the wages paid by those jobs match with the rents and mortgages in the homes.

In theory, I think most people believe -- and the RTAC talked extensively about the fact -- a stronger jobs/housing fit in a community should enable the residents in that community to reduce their commute times and distances, but the link needs to be tested and quantified. Additional research also necessary to quantify the links between overall housing affordability, not just that affordable to workers, and the link between
gentrification and potential increased greenhouse gas emissions.

All of this data should, according to the RTAC, be used both in the MPO modeling and also in future target setting by this body.

The second recommendation that we strongly support is for the State to create an ongoing source of investment to achieve home affordability, especially for lower income Californians. We've all heard the phrase "drive to qualify." People drive until they can find a home they can afford to buy and rent -- and/or rent. Increased supplies of homes in the right locations can reduce this driving.

Lastly, I'd like to highlight the public participation recommendations. We're strongly supportive of that. Lower income communities are the least likely to have any professional representation, and therefore they need additional outreach.

Thank you for your time.

ACTING CHAIRPERSON RIORDAN:  Thank you very much.

Autumn Bernstein.

Let's fix that.

MS. BERNSTEIN: That was going to be my first recommendation, maybe you organize our testimony by height in the future. That could help with the microphone
issues.

ACTING CHAIRPERSON RIORDAN: That would be interesting.

Just let me offer, Sabrina Means and Pete Montgomery, you're going to be the next two speakers.

MS. BERNSTEIN: Thank you, Madam Chair.

My name is Autumn Bernstein. I'm the Director of Climate Plan, which is a statewide organization of 25 nonprofit organizations focused on successful implementation of SB 375.

I want to talk about why the RTAC matters and what you as the ARB can do to help support implementation of its recommendations.

To start with why the RTAC is important, the report is very good. As I think you've heard from folks that were on the RTAC and members of the public, I think there is a lot of things that are quite good. Many members of the public participated, and I'd like to think that we make the report better.

And I'm going to highlight a few things, but I also wanted just to note the process itself was also very important. As you've heard today, there was a tremendous cross section of folks that were involved in that process. I think we've all come out of it with a deeper understanding of each other's perspectives and what it's
going to take. We're all in this together, and we all
have to have the skin in the game if it's going to work.

In terms of specific things that you can do to
help support the RTAC's recommendations, I think first and
foremost is to continued that spirit of openness and
collaboration, which really I think came out of the RTAC
report. And that needs to continue through the
target-setting process, creating forums for continued
dialogue, amongst you as Board members, with your staff,
as RTAC members, and members of the public, as well as air
quality districts, local transportation providers. All of
these folks are going to be really key. And we're not
going to achieve the mandates of this important law unless
we all have an opportunity to be at the table and to find
those solutions together.

Secondly, supporting local governments, and that
means both the policies and practice tool that's been
discussed I think would be really critical. In my
conversations with local elected officials and planners,
they really need that kind of guidance to help them
understand they're doing climate action planning right
now. They're doing general plan updates right now. Those
aren't waiting for 2011. They're happening. They need
that guidance going forward in terms of how they can start
putting the plans in place to help meet these goals, as
well as funding that's been mentioned by other folks. We need funding for the local governments and the regional agencies to help them make this happen.

I want to emphasize some of the members of my coalition spoke to social equities, jobs/housing fit, land conservation. These are all really critical co-benefits, not just because they're important goals unto themselves, but we know from polling that the public really supports implementation of these sorts of laws, particularly because of the ways they're going to make their lives better and improve their children's health, spend less time in commutes, make sure they have access to fresh local food. For all those reasons, it is so important that we continue to have the co-benefits incorporated into these conversations.

And, lastly, just remembering why we're here. Setting high targets coupled with the resource to support them really will help us achieve the goals that we as Californians have identified.

I want to close with some polling from the National Association of Realtors. They did a study in 2007 about public opinions with the built environment, and they found that 71 percent of people are very concerned about the impacts of development on climate change. Eight-three percent support building communities where
people can walk more and drive less. And 81 percent want
to re-develop older areas rather than building now.
So I think we have a real opportunity here to implement this bill in a way that helps us meet our
climate goals as well as doing so many things for our communities that we all want to see happen.

ACTING CHAIRPERSON RIORDAN: Thank you.
Pete Montgomery, followed by Kate Wright,
followed by Tom Jordon.

MS. MEANS: I think I like the comment abut
organizing by height.
My name is Sabrina. I'm with the California Transit Association. I want to thank the RTAC members for their work and for including emphasizing the need for a secure source of transit funding in the state as a guiding principle in developing the recommendations.

The RTAC's report addresses the disconnect between the State's SB 375 goals which will have the effect of encouraging more people to drive less and to take transit more and the fact that the State has made severe cuts to transit funding over the last several years.

We encourage the ARB Board to support the RTAC's recommendation of seeking a long-term and secure source of State funding in transit in order to make SB 375 goals a
reality.

We also support transparency in this process and maximizing and quantifying the health and environmental and economical co-benefits that will be achieved.

Our transit agencies look forward to helping the State to achieve greenhouse gas emissions reductions through SB 375, but we need your help in finding solutions for providing resources for transit.

Our agencies are in a state of fiscal emergency and cannot continue to provide adequate alternatives to driving if our funding continues to be removed.

Thank you very much again to the RTAC and to the Board for allowing us to provide these comments.

ACTING CHAIRPERSON RIORDAN: Thank you. And thank you for being here today.

Pete Montgomery.

MR. MONTGOMERY: Good morning. I'm representing the California Building Industry Association and the RTAC members Steven Doyle of Bridgefield Homes of San Diego.

First of all, on behalf of CBA, we want to thank the staff, Mr. McKeever for leading such a positive dialogue, and a recognition of the key issues associated with implementing SB 375.

And I think one of the reasons why on behalf again of CBIA and Mr. Doyle we stand here in support of
the report is that the issues which Supervisor Roberts
raised and Supervisor Yeager raised were discussed in
detail. I had privilege of attending every RTAC meeting.
Would agree with Mr. Heminger we probably don't need to do
any more, but those issues were on the table from the
beginning.

The very first meeting was in this room. And the
discussion almost the entire meeting was is this a GHG
bill or a VMT bill based on 375. And CBIA as part of the
coalition of the fragile around SB 375, the understanding
was -- and I guess the resolution begrudgingly from
some -- was it's a GHG bill. And that was a critical
moment for the trade association to move forward.

And the other thing I wanted to highlight some
key issues in particular for the home building industry
that were flushed out in the discussions which are in the
report and which I think will provide context for staff
and the Board moving forward.

One is a recognition of not only the state of the
economy, but the housing market in general. We're in an
unprecedented depression in the housing market; 34,000
units projected to be built in 2009. That's 175,000 units
less than just three years ago. So that had to be
recognized that it would be a significant factor in
achieving reductions from the land use sector.
Secondly, a greater understanding of the time frames and difficulties associated with land use changes. We can't make decisions today and expect changes to happen tomorrow. These things take time. There's environmental review. There's permitting. There's investment. And then there's difficulties with in-fill development that needed to be recognized. That's in the report and that's important to understand when setting targets.

And, finally, the most critical, focus on bottom-up approach and flexibility for regions. It's critical that San Diego get it right. San Diego's first and needs to set the example for the rest of the state. Again, thanks to staff and the other RTAC members for working with us. We represented the private sector all by ourselves out of 21 folks. And again thanks very much.

ACTING CHAIRPERSON RIORDAN: Thank you very much. Appreciate your being here today and your viewpoints.

Kate Wright, followed by Tom Jordon, followed by Bonnie Holmes-Gen.

MS. WRIGHT: Hi. I'm Kate Wright with the Local Government Commission. Thank you for the opportunity to comment today. And thank you to the RTAC for all their hard work putting this report together.

Both the Board and the RTAC have recognized that
local governments will play a really essential role in achieving reductions and greenhouse gas emissions.

SB 375 poses a new set of challenges for local governments, and local governments will need a sustainable source of funding to be able to play the critical role that we will need them to play in implementing SB 375. At a time when local governments should be increasing their planning efforts, many have had to cut back planning staff. Planning resources will be critical to the success of SB 375.

The biggest barriers to successful SB 375 implementation are cuts to public transit and a lack of funding for planning and zoning code changes. The Local Government Commission would like to support the RTAC's recommendations to provide incentives for exceeding targets, to restore transit funding and to encourage the EAAC and the Strategic Growth council to provide funding for city and county planning efforts.

Lastly, while we are supportive of adopting policies based on best management practices, we want to be sure that we are getting quantifiable reductions. A lot of general plans have great smart growth language already, but we are not seeing development patterns that reflect these policies because of outdated zoning codes.

So we ask that you provide support for local
governments to make real changes in their communities.

Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you very much.

Tom Jordon.

MR. JORDON: Good afternoon, Madam Chair, members

of the Board.

Tom Jordon with the San Joaquin Valley Air

District.

It can be fairly anticlimactic being late in the

testimony, but I did want to share that I attended the

majority of the RTAC meetings and shared our experiences

with the ISOR program in the valley.

And to I guess follow onto Dr. Sperling's

comments earlier, this really is the first step. And I

think the RTAC did a great job of balancing the needs of

various regions. We've made a lot of comments about how

this would apply in the valley dealing with jobs/housing

balance in the north valley, and they took that into

consideration. But I do believe that resources are the

big issue going forward.

In the valley, we have eight MPOs, 59 cities, and

eight counties. Some of those are relatively small in

scale compared to what would be in the major metropolitan

areas and fairly resource constrained.

In the interim, there's going to need to be a lot
of help to develop modeling tools to accurately represent what's going on. The best management practices can fill that void as those tools are developed. And then on a planning front, this really is a cascading effect. And as you develop models, set targets, do transportation plans, and then you do need the land use plan changes, zoning code changes. And this is happening at a time when our planning departments have really been decimated. Most of our planning departments in the state have become fee-based programs. And with very little permit activity going on, we're going with departments from 35, 40 people to department with five, seven, eight people. So those resources are crucial if we're going to be successful.

Thank you very much.

ACTING CHAIRPERSON RIORDAN: Thank you very much. And your point is well taken. That certainly is happening in the county where I live in regards to planning departments.

Bonnie Holmes-Gen, followed by Marisa Rimland and William Davis.

MS. HOLMES-GEN: Thank you, Madam Chair, members of the Board.

Bonnie Holmes-Gen with the American Lung Association of California. And on behalf of the American Lung Association, I wanted to express our appreciation for
the work of the Regional Targets Advisory Committee. And we do support their recommendations and we believe this report offers an important starting point for the ARB to move forward in establishing regional targets for greenhouse gas reduction and promoting healthier communities. And we do believe these targets must be high targets that challenge each region for a more sustainable and healthier land use planning.

The American Lung Association and the public health community broadly is deeply concerned by the global warming air quality and the chronic health impacts of our sprawling auto-dependent development. And we believe that this SB 375 implementation process and the process of developing the regional targets and the sustainable community strategies provides real opportunities for improving public health in California and for changing land use transportation patterns and reducing driving. And we know that this has to occur in a partnership between the State and local governments. And we believe that is what's intended and what you're embarking on right now. We have to have that partnership. And we want to point out to you we appreciate the RTAC report recognizes the value of the many public health benefits that can be achieved by smarter growth. And I want to call your attention to the section in the report
that starts on page 42 that talks about the many
cobenefits of sustainable community strategies. And this
includes the public health and other benefits, including
the benefits of reducing chronic health risks such as
obesity, diabetes, lung and heart disease, cancer,
depression, other health -- there are many other health
benefits of sustainable land use planning.

And there are specific recommendations for
addressing the co-benefits in the target-setting process.

And we would strongly enforce those recommendations,
making the advancement of co-benefits a key goal in ARB's
process for setting regional targets. And the MPO should
quantify to the extent possible the range of co-benefits
associated with the achievement of greenhouse gas targets
and also the importance of promoting the development of
planning models that can accurately estimate the global
warming and public health and other co-benefits of the
land use scenarios and the development of these targets.

So we think these are very important recommendations, and
we hope that you follow those.

So I'm still on green; right?

In closing, the American Lung Association and the
public health community, we are looking forward to working
with you on this process of developing ambitious regional
greenhouse gas reduction targets that will fight global
warming and achieve public health benefits.

We support the target setting process in the RTAC report. I think that provides a very important public and transparent process for public engagement. And we strongly urge the ARB to make the advancement of public health and other co-benefits a key goal of the target-setting process.

ACTING CHAIRPERSON RIORDAN: Thank you, Bonnie.

Marisa Rimland, William Davis, and Julia Gardiner.

MS. RIMLAND: Good afternoon, Madam Chair and members of the Board.

My name is Marisa Rimland. I'm here representing Public Health Institute, one of the largest public health organizations in the country who focuses much of its work in California.

PHI would like to express its strong belief in the inherent connection in climate change, public health, and planning. There is a direct evidence-based relationship between how our communities are designed and the amount of air pollution emitted. This pollution not only contributes to climate change, but also negatively impacts California's health.

As members of the Health Network, we signed onto the America Lung Association's November 13th letter sent
to you supporting the RTAC report's recommendation and
would like to reiterate some of those points made in that
letter, which was put into the record today.

First, we would like to express appreciation to
RTAC for the report and their inclusion of public health
co-benefits into the language as well as their listing of
public health groups as stakeholders.

We urge the Board to move forward in the adoption
of ambitious regional targets to reflect the many public
health benefits of smart growth.

We would also like to express appreciation for
the recommendations in the RTAC report, which emphasize
the importance of incorporating public health benefits in
the process of developing those regional targets. We
can't emphasize enough the importance of making the
development of healthy communities a key goal in CARB's
process for setting regional targets and the need for the
target-setting process to delineate exactly what can be
accomplished in achieving healthier more active
communities as well to demonstrate specific pathways to
achieve those goals.

It is also important to develop ambitious targets
that will encourage each region to adopt new and
innovative approaches to planning.

We urge you to adopt the RTAC recommendations
regarding co-benefits, which include quantifying those benefits and promoting the use of models to accurately estimate both the benefits for climate change mitigation as well as the related co-benefits of various land use scenarios in the development of the targets and the sustainable community strategies.

Finally, we believe that the goals will be furthered by requiring interim measures of progress and periodic reviews to ensure that targets are set at the appropriate levels.

Thank you for your time and the opportunity to speak today.

ACTING CHAIRPERSON RIORDAN: Thank you. And thank you for being here and representing the organization that you do.

William Davis, Julia Gardiner, Bill Magavern, and the final speaker will be Randal Friedman.

MR. DAVIS: Madam Chair, please convey to Chairperson Nichols our condolences for the loss in her family. It's always a hard thing to go through.

My name is Bill Davis. I'm with the Southern California Contractors Association. And I'm also a member of the California Transportation Commission's Regional Transportation Plan Guideline Subcommittee as are some other folks that have been speaking with you today that
were also part of RTAC.

And we're a consumer of RTAC's work, as well as you, and that's the part that I came to talk to you about. There are a lot of moving parts in this process.

As far as I can tell, you've been asked to solve every problem in the state of California this morning with the exception of world peace and perpetual motion. There are some limits to your abilities, and I know that you don't have any funding yourself to hand out to various people. And we all recognize that.

But this is an important process, and it's important for the history of our state. It's important for the future of our state. And to Dr. Sperling's assertion that this bill is a weak bill, it's a political bill. This bill set up a series of guidelines and suggestions, but the control of land, Supervisor Roberts, remains at the local governmental level. And the control of the transportation system still remains within the process that's been set up over the past several years involving regional transportation planning agencies, Caltrans, and the federal government, who is getting ready in their new highway program to come across with very similar requirements to the ones that you're looking at right now under SB 375. So you're ahead of the game again, but maybe in a good way this time.
At least California has a little experience in dealing with these issues that other states are not going to have. In fact, I get calls from other states quite often saying what the hell is going on out there. And I respond that, you know, it's California. We're at the bleeding edge of regulations. And they go, well, thank goodness, and just keep it there. And that's not going to be happening.

We've got called just the other day -- and this will gladden the heart of the NRDC -- from the Soviet -- the Russian Federation of Home Builders who are eager to come and start doing in-fill construction here in California. And we're also getting calls from Tokyo. This is serious business. We do participate in these things, because if you're not part of the solution, you're definitely part of the problem.

And we want the agency to follow construction's old maxim, which is measure twice, cut once.

Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you.

Julia Gardiner.

MS. GARDINER: Good afternoon. I'm Julia Gardiner with the Nature Conservancy.

I'd like to start by thanking the RTAC Committee members and ARB staff for your hard work throughout this
intense complex process.

The Nature Conservancy is happy to support the recommendations made by RTAC, especially the recommendation to set the most ambitious greenhouse gas emissions reductions targets possible for the MPOs. And I'd like to highlight today there is a synergy between greenhouse gas emissions reductions from land use and transportation planning and open space protections and associated co-benefits.

Strong targets will alleviate the conversion pressure on natural lands, reducing the biological greenhouse gas emissions that are the result from conversion of these lands, and allowing open spaces to continue to provide the broad suite of climate and other public benefits that are essential to our quality of life, including carbon sequestration and climate regulation, air and water quality benefits, fish and wildlife habitat, recreation and more.

The Nature Conservancy thanks the RTAC and ARB staff for supporting these goals by recommending the consideration and quantification of co-benefits throughout the target setting and SB 375 implementation process, including in the development of the sustainable communities strategies.

And we will continue to offer our support to ARB
staff to develop methodologies and tools to help local
governments quantify the greenhouse gas reductions from
land use planning that fosters open space protection and
associated co-benefits. Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you very much.

Bill Magavern, followed by Randal Friedman.

MR. MAGAVERN: Good afternoon, Board members.

I'm Bill Magavern, Director of Sierra Club

California.

We appreciate the time and priority you're giving
to this topic, because it is absolutely essential to
meeting our greenhouse gas reduction mandate. In fact,
increasing vehicle miles traveled threatened to overwhelm
the greenhouse gas savings from cleaner fuels and
vehicles, as you know.

Fundamentally, what we need to do is to shift the
funding at all levels of government from roads to transit.
And, of course, much of that is out of your control.

One comment by Supervisor Roberts that we
completely agree with is that to zero out State operating
assistance to transit completely undermines the ability to
meet the greenhouse gas reduction mandates in both SB 375
and AB 32.

Something that is within your control is we
recommend, as others have, that you use AB 32 allowance
revenues to fund public transit and local government land
use planning, among other goods that can be funded. And
we've made this recommendation to the EAAC.

We support the use of pricing as a tool. We
agree with the MTC on the value of congestion pricing,
although we haven't come to complete agreement with them
on the particular legislation that they're sponsoring.
We're still working on that.

We also think that user fees, cash-out parking,
and reduced transit fares would all help very much to
achieve our goals.

We also strongly support the tool of the indirect
source review, which as Dr. Telles pointed out has been
used now for several years in the San Joaquin Valley.

The targets need to be ambitious. I remember
that last December when the Scoping Plan was adopted,
there was a lot of testimony and substantial sentiment on
the Board for going higher than the five million metric
tons, and that was adopted just as a placeholder at the
time.

Business as usual is completely unsustainable.
That's why it's important that we not have targets that
would allow local governments to essentially say that what
they're doing now is going to be enough to get there.

That really won't do it.
And, finally, we agree with Board Member D'Adamo and many others who have said that we need to fully account for and value the many co-benefits.

Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you. Thank you very much.

And finally, Randal Friedman.

MR. FRIEDMAN: Thank you, Madam Chair and Board members.

Randal Friedman on behalf of the U.S. Navy.

The military in California is one of the largest employers in the state and represents hundreds of thousands of households, a majority of which are in southern California.

We're very much concerned about the impact we have on the state. We recognize the issues of travel. And, you know, the person who testified about drive to qualify, well, frankly, our sailors have been driving to qualify for further and further away. In San Diego, it's not uncommon to find them out in Temecula.

So where I'm going with this is we had a naval base station in San Diego, presently home to 50 ships and growing to 70 ships, an old golf course we decided would be the perfect place to put housing for sailors. It's a quarter-mile from a lightrail station. Sailors could walk
to their ships.

We proposed four 18-story buildings, beautiful architecture. Everything was fine until the Coastal Commission staff opposed it, because they felt 18-story buildings didn't belong in the coastal zone.

Well, the Coastal Commission itself saw the benefits to this, and I'm proud to say it's built and 92 percent occupied now. And the sailors can take light rail. They can walk to the ships.

So why do I bring this up? A couple of things.

First, I don't think you can ever underestimate the challenge ahead with building in-fill. Everyone talks about in-fill. It's a wonderful thing. But when you actually try to put it on the ground, it's an incredible challenge balancing things like coastal views and housing. And I think that's something you need to be very much aware of and have some clear policies about the need -- the absolute need to build where people work, where transit is.

The second thing is I want to make sure that as you proceed among this that you recognize that the military in California is a major employer. We have housing needs. We want to partner with California to make sure our future growth needs and transit needs are fully incorporated into the plans that you do.
Finally, I just want to again use this as I think a very positive example of what you can do with under-utilized land, in this case an old golf course, and put up housing. The amount of VMT reduction we've experienced is just tremendous. Sailors no longer have to go 20, 30, 40 miles out, but can live on base in beautiful housing and walk to work. Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you very much. Appreciate your input.

Board members, let me make a suggestion about how to move forward with this particular item. It is not a regulatory item, and so therefore there's no motion. But there's obviously tremendous interest and tremendous varying viewpoints.

And my thought would be this. If I worked kind of through the Board, gave you an opportunity to ask first any question you might have of staff, and then if you could just simply give some of your comments or thoughts based on staff work and all of the public testimony that we've had, and then we'll just move forward.

We won't have a debate, because I don't believe in the world that we could ever solve our problems before lunchtime. And so I think this is the easiest and best way. And staff can then sort of synthesize what we're saying and, you know, take it into context in terms of
what your next steps are. It's very clear what your recommendations have been, where you're going with timing.

So let me start -- I'll start to the right and I'll move through to the left.

Dr. Sperling, I'm going to start with you.

BOARD MEMBER SPERLING: Thank you for reaching out to the right wing fringe here.

ACTING CHAIRPERSON RIORDAN: Yes, I thought about that.

BOARD MEMBER SPERLING: So in the spirit of bringing us all together, I'm going to say that I agree with Supervisor -- my esteemed colleague, Supervisor Roberts, with a little twist.

Number one is that I would make the argument, which I think was in many ways made by many of the speakers here today, that the strategies to reduce greenhouse gases from passenger transportation through land use and VMT and so on are the same strategies that you would use to achieve this whole long list of other goals that we've been talking about, including investing in public transportation, housing, reducing road costs, public health. And so SB 375 in many ways is aligned with all of those goals, is not something different.

And I would suggest that, indeed, because SB 375 has some support and where it's going -- or greenhouse gas
reduction does and climate policy that, in fact, this
could very well be the mechanism to attract funding for
local public transportation and these other activities
that local government supports and operates. So, I mean,
that's one way of thinking about it.

The other point is I fully agree ARB should not
be in the land use regulation business. And, in fact, the
law itself states we should not be. And we're not,
because the beauty of this law in the processes that we
are just working with the MPOs to set the targets, that
local governments are the ones that are going to be making
the decisions about what they're going to do with land use
and public transportation and everything else. And they
have complete flexibility in that.

ACTING CHAIRPERSON RIORDAN: Thank you,
Dr. Sperling.

Dr. Balmes.

BOARD MEMBER BALMES: Well, first I want to again
thank the Committee for I think a job well done. And I
agree it's a first step. You're just wading into the
waters, and it's only going to get deeper. But I think it
is a good first effort.

And I think there's some nice text in the report
about trying to achieve co-benefits in the area of health,
for example, which is near and dear to my heart. But in
the actual recommendations, there's not too much specificity with regard to trying to achieve those co-benefits.

So several of the speakers today mentioned this, and I'm fully in agreement, that we should try to specify in our plans. And I know it gets back to the comment about trying to achieve perpetual motion. We're loading a lot onto this planning process. But I think if we are, in fact, trying to achieve more sustainable communities as well as reduce greenhouse gases, then improving public health through the process should be specifically addressed.

ACTING CHAIRPERSON RIORDAN: Thank you, Dr. Balmes.

Ms. Berg.

BOARD MEMBER BERG: I've been a little bit quiet on this issue today, because it is tremendously overwhelming.

I also thank the Committee for their arduous work. The diversity of the Committee and the fact that you were able to come to consensus is extremely impressive. And my hat's off to you for that.

Through all the testimony, one of the things that became mindful for me was unintended consequences. And so we have a lot of communities that have sprung up that have
provided lower cost housing that have developed
communities with economics around it that are supported by
the people that live there, that if we bring these people
back, such as the excellent example that was given to us
by the Navy, I'm sure that the people in Temecula or the
governments or the businesses are missing those military
families. We're going need to think about how we are
going to handle the shift in economics on communities that
might suffer as a result of this.

So that would be another thing that I would just
be mindful about as we're bringing -- I have employees
that drive 40, 50 miles in order to afford a home. We're
in east L.A. And some of them drive to Apple Valley every
day in order to afford a home and a place where they want
to raise their children. We're going to move these people
back closer to where they work, then we're going to not
only have to have that affordable housing, but also then
these communities that have sprung up and have housing,
what are we going to do with them?

So that would be my comment.

ACTING CHAIRPERSON RIORDAN: Thank you, Ms. Berg.

Dr. Telles.

BOARD MEMBER TELLES: I would like to commend the
RTAC Committee for getting 100 percent consensus with such
a diverse group of environmentalists and county government
people and industry and everything. I think it's incredible.

I would like to bring this into a little bit bigger perspective and that if the federal government and the Kyoto doesn't come up with some kind of agreement about reducing greenhouse gases, what we do here in California really doesn't make much difference. It won't have any impact on the global greenhouse gas emissions. And I think we need to keep that into perspective as we go forward.

Having said that, I think there's so many co-health benefits with this. It's just unbelievable. One of the problems we have as a cardiologist is just encouraging people to be physically active.

And as noted in testimony here about four or five months or maybe six months ago when staff presented the importance of the built environment on increasing activity and reducing a lot of the risk factors for cardiovascular disease, moving ahead with this is so important for the co-health benefits. Even if the greenhouse gas emissions reductions are not going to make any difference in the world perspective, it's going to make a huge difference from a health perspective in California.

ACTING CHAIRPERSON RIORDAN: Thank you, Dr. Telles, for that perspective.
Ms. D'Adamo.

BOARD MEMBER D'ADAMO: Well, I've been on the Board for a number of years, and I can't even count the number of times that in a regulatory item or an update it would come back around to land use and the need to address improvements in land use planning in order to provide for future emission reductions.

And so here we are. We're not a land use planning body, nor should we be. But the Legislature has spoken and I think given tremendous guidance and just enough incentives to bring the group together far beyond the RTAC Committee, which I also want to compliment the group.

But we're seeing folks talking about very creative ideas as a group for the whole state of California. And so I just think it's a very exciting time. I look forward to more information.

The one thing I do look back on over the years where we have talked about trying to get some benefits -- attain some benefits with more sustainable planning is that we just didn't have the science. And so I'm really looking forward to the information that we receive from the model and just want to encourage staff. I know you're going to do this anyway, but to just make it as adaptive as possible.
A number of Board members and witnesses are talking about the tremendous co-benefits. I suspect we don't have all the information we need yet on co-benefits, but we will as this process develops.

And then same thing with the model becoming as adaptive as possible for the best management practices. I know I come from -- we all come from different regions of the state. But what I see when I talk to planners in the San Joaquin Valley is that their heart is in the right place, but they just don't have the information. So I think information is going to be the real tool here that gets us moving forward.

ACTING CHAIRPERSON RIORDAN: Thank you.

Mayor Loveridge.

I'm going to work this way. I'm sorry. I'm going to the far, far left.

BOARD MEMBER LOVERIDGE: Well, let me be quite quick.

One, I think what we have as the report is outstanding. It's outstanding in substance and process and outcome. So I salute the report that's here.

Second, I mean, we can spend a lot of time talking about it, but the words that caught me in this was start bottoms-up, flexibility, partnership, co-benefits, a lot of really great powerful concepts that are in this
Third, I think we need to recognize this is the start of a process. And it's a long process. And change is not easy. I heard one saying: Work hard, catch hell, and make progress. And this is going to be something that takes place over time.

I also would emphasize that at least as a political science remark that when asked the question what is the law of the land, the law of the land is five votes. And that this legislation depending upon how we participate in it and how it's developed can also change. And so I think one example for us is what happens when you get good folks around the table looking for common solutions. I would encourage us to see that as our approach.

ACTING CHAIRPERSON RIORDAN: Thank you.

Supervisor Roberts.

BOARD MEMBER ROBERTS: I think I guess the law of the land on this Board is six votes.

BOARD MEMBER LOVERIDGE: That's the Supreme Court.

BOARD MEMBER ROBERTS: Oh, well, we're far more important than them.

(Laughter)

BOARD MEMBER ROBERTS: Let me just make a couple
of observations and why I have some of the concerns I have. And I have mentioned this in the past. So at the risk of being overly redundant, San Diego, as all counties, have their own unique requirements. We're different.

And to the speaker from Ontario I though really got it right. We need to recognize these things. We have some very unique things.

Randy spoke about the military. We have a disproportionate number of military bases. The federal government owns about 40 percent of San Diego County. That's off limits to us, believe it or not. At the Board of Supervisors, we like to think we're important, too, but there are things we do not have control over.

We have a disproportionate number of Indian reservations. Most of those have casinos. Most of those are built in the rural areas a long way from anything.

All of our groups come in and say don't do sprawl. The biggest and most significant sprawl we've seen in the history of the county has occurred on Indian reservations now, and it's generating traffic significant, and it's not public transit. We don't control it. Those are their own nations.

And, finally, we have something called a border that most of you don't have to deal with. And it involves
the shipping of a lot of goods and a lot of trucks, and it creates a lot of greenhouse gas, not surprisingly. And we have very little control over that.

So there are unique things that are planning issues that we have to deal with. Believe it or not, we have been dealing with these things. And we are in the process of updating our general plan. Maybe we're unique in we haven't fired our planning staff and we are doing those things.

I get a little concerned when I hear the term "business as usual." One of the things we are working on is a major expansion of our trolley system. It's about a billion dollar to add the next line. We're working as partners with a whole series of groups. We have communities fighting us. We have environmental groups fighting us, because you'll always find no matter how good you think you're doing, somebody is out there that doesn't like what you're doing. I don't know if that's business as usual and I don't know when it comes to look at that is that business as usual when we get that done? Do we get credit for it? Is that -- well, you were thinking about this for ten years. We have been working on it for ten years. I don't know if that's business as usual.

We've been doing other things in our urban areas. We know downtown is successful, but downtown is not a
model for what has to come. And that's to lift the
densities in the areas that surround downtown. It won't
be high-rise buildings. It will be three and four and
maybe five-story buildings. And we know that in each of
those communities it's a fight.

So we've established a reward program for
communities who work positively with developers to build
higher-density grounding. We actually can get grants to
do something they want to do in their own neighborhood.

If they want to put in street trees or parks or what have
you, they get money to do that. Is that business as usual
when it comes before this Board? I don't know.

We're doing a lot of things, and I'm very
concerned that somehow we're not going to get credit for
those because we are doing them. The State has a habit of
penalizing you when you're doing good. You've got to do
more. It doesn't make any difference that you're doing
things that aren't being done elsewhere. You're going to
have to do more. Maybe you get the gist of why I'm
concerned.

To the gentleman who spoke about the UC program,
this is a great program. I know about this program
because we're partners in this. It's with the
metropolitan transit system. We just opened a new super
shuttle serving that university. Is that business as
You know, it's hard to do these things when you have a State that is telling you to do more at the same time as they're taking away the money that you have to do these things, and taking it away completely.

So if I sound a little irritated, it's with reasons. I don't trust the State. Okay. And I don't trust the State to do land planning for us. And I don't trust the State to evaluate the competency of our land plans.

This Board has been successful, and there's been a lot of collateral benefits from it. And I can site a lot of those because I've been here long enough, because we have remained focused on something.

It was reducing the pollution in the air. And, yes, when we did that, guess what? It reduced the pollution in the water and there was a whole series of other things that happened as a result that we knew were out there. But we didn't focus on those things. We focused on single purpose. Let's get the pollutants out of the air. And we got the benefits from that.

What I'm concerned about here is everybody is reading some world saving other thing in besides the greenhouse gases, which I thought was world saving enough if we can achieve that.
I hope we can get focus back on that. And I hope we can see, yes, there will be collateral benefits. And yes, we want to do these things. We need to be clear of what the goals are and why the goals are there.

And I'll tell you, we can take care of a lot of the other stuff and you can applaud yourself for helping us with our plans and all of those things.

But, you know, I'm deathly afraid this thing can turn out -- we can have a revolt on our hands at the local government level if this thing is not handled properly.

ACTING CHAIRPERSON RIORDAN: Ms. Kennard.

BOARD MEMBER KENNARD: Well, interestingly enough, I think I'm the only credentialed planner on this panel. And I have graduate and undergraduate degrees in urban planning. And I sat on the Los Angeles City Planning Commission for several years. So I've been very interested in local land use planning for virtually all my career.

And I actually absolutely agree with Supervisor Roberts that the State should not be intricately involved in local land use decisions.

And, in fact, I read AB 375 as just that, allowing the State to help facilitate but not to dictate and govern local land use policy, because it's absolutely impossible to do.
Years ago, many of you will probably remember the jobs/housing balance and how policy was trying to trick the system of how developers make market decisions about siting housing and transportation. And it really didn't particularly work.

But I do believe that this is a first attempt at trying to open a level of communication and commitment along broad sectors to try to be able to match local land use policy with broader environmental policy.

And the success that RTAC with the assistance of CARB staff has been able to achieve in terms of cooperation is really just stunning. And I applaud you all. And I wish you all good luck.

I think that the difficulty will be how do you determine the success of your implementation. And more importantly, how do you measure your ultimate success.

And so I just leave that with you, because I think those are the two real big dilemmas that you face.

But I wish you all good luck. And I think what you've done so far is really amazing. Thank you.

ACTING CHAIRPERSON RIORDAN: Supervisor Yeager.

BOARD MEMBER YEAGER: Yes, I'm much in agreement with many of the things that are in the report. I think it gives us the roadmap that we need to sort of go forward. And again thank you for helping us get there.
It is a little bit of a concern to me that there are so few people here initially to participate in this discussion. And I worry what might come June when the statewide targets are released.

And I think part of the challenge for this Board and for staff is trying to figure out how we're going to get this information out, not only to the public, but to all the interested parties, the cities, the planners between now and June. I agree with Ms. D'Adamo on saying, well, how are we going to get this information out?

Again, as I had said in my earlier remarks with association of governments, with air districts, transportation governments, a lot of people are involved in all of this. And it would be wonderful just to have everybody in the same auditorium along with city planners and county planners, seeing what their reactions are or what questions they have.

And if you haven't set up any of those throughout the state, I'm happy to volunteer Santa Clara County as the first one to go forward and have everybody that's involved and discuss these things.

It's like with all the stuff we're doing which is groundbreaking and so exciting -- and when I think of local carbon fuel standards, it's so important to get it right. And part of that just means more meetings than
anybody wants to go to.

But we can't surprise people. We don't want an unnecessary backlash to what's being proposed. And again, I think the sooner we can say we want input and this is how it's all going to fit together and have people ask questions -- and particularly all those local elected officials who may not have a public that's going to be so excited about some of these things.

You know, those of us from local government and certainly as Supervisor Roberts was saying, you want to go one foot more than what is already out there, you do get a negative reaction. And people run on whether they're going to support high density or not. And most people win elections by saying, "No, I'm a NIMBY."

So a lot of it's happening. And I think we will serve ourselves well if we stayed in front of it and again try to engage people early on.

ACTING CHAIRPERSON RIORDAN: To the staff, my only thought is that we do as much public outreach as we can possibly do between now and June to as many of the stakeholders as possible. And we need to include ourselves. There was a recommendation maybe we should have a workshop. And I think that might be very helpful.

Now, having said that and having the knowledge of the vastness of this effort, I again want on behalf of the
Board to say thank you to our great Committee that probably had more meetings than they care to have. But we may draw on you again, because you are really great resources.

And to the staff, thank you for an excellent report.

And with that, let me simply say we need to adjourn to a closed session as was noticed in the agenda. And at that closed session, we're also, Board members, going to have our lunch. So we can accomplish two things at one time. And so if you will go to the back and get our lunch and we're ready to go.

BOARD MEMBER SPERLING: What time will we be back?

ACTING CHAIRPERSON RIORDAN: What time will we be back? Let's try to be back at 1:30. That's 45 minutes.

(Thereupon a lunch recess was taken.)

ACTING CHAIRPERSON RIORDAN: Ladies and gentlemen, I do need to apologize to the audience for our delay. It just couldn't be helped. And so we'll try to be very efficient with our time from now on.

As Board members are gathering, I'd like to say to the staff thank you for your patience, because we did take an item before you. And I then will make it my responsibility to listen doubly hard.
So let's go to Agenda Item 09-9-1.

EXECUTIVE OFFICER GOLDSTENE: Thank you, Madam Chair.

We're very excited about a new website called driveclean.ca.gov. Staff conducted several rounds of focus groups to find out what consumers are looking for when shopping for a new car. This new website provides many tools to help consumers find a clean vehicle that will meet their needs.

Lisa Chiladakis of the Mobile Source Control Division will provide a brief overview of this new website to the Board.

(Thereupon an overhead presentation was presented as follows.)

MS. CHILADAKIS: Good afternoon, Madam Chair and members of the Board.

We are excited to be here today to introduce to you the re-designed Drive Clean website.

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MS. CHILADAKIS: Before I show you to new site and describe the features and functionalities, I will provide some background and discuss the goals of the Drive Clean website.

After I go through a demonstration of the site, I will discuss the traffic that Drive Clean is now getting
and then describe our plans to promote the site to increase this traffic.

I would also like to mention that at the Board meeting next month you will hear staff's recommendation for the redesigned Zero Emission Vehicle Program. This website complements those efforts as well as the efforts of all of ARB's programs to reduce emissions from light-duty passenger vehicles.

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MS. CHILADAKIS: The Drive Clean website was originally launched in 2002 as a resource for consumers to find the cleanest cars on the market. At that time, there were a handful of clean cars and hybrids, making the site relatively easy to manage and use.

However, over the years, the number of clean cars and advanced technology vehicles has grown, calling for the website to hold more data and offer users more features and functionalities.

And then in 2007, the Board approved the new environmental performance label and directed staff to put the website on the label. As you probably recall, the label ranks each car's greenhouse gas and smog emissions with a global warming score and a smog score from one to ten, with ten being cleanest. Driveclean.ca.gov is listed on every environmental performance label, which is on all
new cars beginning with cars manufactured after January
1st, 2009. This makes the website a critical online
cOMPONENT to educate and promote clean vehicles to new car
buyers.

So taking our direction from the Board and
realizing the opportunity we had with the website, we set
out to enhance Drive Clean to meet the following goals:

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MS. CHILADAKIS: To display environmental
performance label scores for all cars certified in
California;

To help influence consumers to buy clean cars,
cars with higher scores;

To educate consumers about current and future
clean vehicle technologies and alternative fuels;

And to show consumers that clean technology and
alternative fuel vehicles are available in a variety of
makes and models that will fit their lifestyle.

So keeping these goals in mind and thinking about
how consumers shop for cars online, we launched Phase I of
the Drive Clean website in 2007.

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MS. CHILADAKIS: Phase I focused on getting all
of the vehicle's certification data into the Drive Clean
database and on the general functionalities we wanted to
However, after we launched the site, we realized that it needed a facelift and some fine tuning. So in early 2009, we conducted focus groups to get the feedback on this old site and to test reactions to a new design concept. These focus groups confirmed the old site did not provide a clear picture of its purpose, it was not easy to navigate, and the results were not produced in a way that was useful for consumers.

I'm going to present the re-designed website and do a pre-recorded demonstration for you. We welcome you all to visit the site and try it yourself. And if you have any thoughts or feedback, please feel free to let us know.

As you can see, right away the consumer sees it as a buying guide. The top navigation bar is more research oriented, whereas, the central content in the left navigation are more action oriented.

Right from the home page, you can see there are several ways to search for cars. You can search by specific make and model; by category, such as sedan, wagon or minivan or van; by category type, different
technologies and fuels.

So here you can scroll to look at the different fuels.

You can also do a quick compare and compare up to three vehicles side by side.

You can also learn about the new environmental performance label.

Scrolling down, we provide what's called popular searches. And these are lists of the cleanest cars, hybrid SUVs, and cars with incentives.

If you hit "view all," you can get a list of all the cars that meet the criteria for each list. For example, for cleanest cars, it is cars with a global warming score of seven or higher and a smog score of eight or higher.

You can also find clean vehicles based solely on their global warming score or smog score.

So now I'm going to show you a search. I'm going to look up the 2010 Toyota Prius. And you can see when you get the results, you get an image of the vehicle, some information about the transmission and engine, the technology type, the global warming score, the smog score, check mark, because this car probably has an incentive, and the base MSRP.

You click on the image, you get more information
about that vehicle. You get a calculated annual fuel costs and greenhouse gas and smog emissions, the emission certification standards, the engine family, and then some information about the warrantee that is for extended for PZEVs and AT PZEVs and information for incentives.

Now if I go back to the home page --

BOARD MEMBER LOVERIDGE: What is the smog emission?

MS. CHILADAKIS: Sorry. Thank you. The smog emissions? The annual smog emission is calculated based on the smog score and the grams per mile and a default annual miles of maybe 12,000 miles per year a driver might drive.

BOARD MEMBER LOVERIDGE: It's hard to tell what that means.

MS. CHILADAKIS: If you look at the website, you can go to a glossary of terms and it describes exactly where those numbers are calculated.

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MS. CHILADAKIS: So these are the results if you want to look at all the sedans in 2010. So it ranks them by global warming score. And you can sort by smog score, different technologies types.

You can search by different features and then compare up to three cars. If you want to look at the
Civic hybrid, the Insight, and the Prius side by side, you can go down and compare those cars side by side to help you make your purchasing decision when emissions becomes a factor. Your might be looking for fuel costs and different things.

Then you can also search by technology. So if you want to get a list of all the 2010 hybrids, you can just click new vehicles and you get all the certified hybrids in the model year 2010.

And then find out more background information about all the different technologies and fuel types.

And then if you just know you want to find the cleanest cars based on their smog score or global warming score, you can search by global warming scores. These are all the cars with a global warming score of 9.

MS. CHILADAKIS: Or find all the cars with a smog score of 9 as well.

MS. CHILADAKIS: And then you can search for incentives. So if you want to look at all the incentives available for hybrid vehicles, you can click here and find incentives for hybrids or you can go back. And also if you live in a certain region, if you want to find the incentives for Davis or different areas in the state, you
can type in the city.

MS. CHILADAKIS: And then, finally, you can also tailor the results. If you want to put in where you live, the amount of miles you drive, or how much you pay individually for fuel, you can tailor the results of the website with this driving habits and fuel costs.

And finally, you can look at how --

MS. CHILADAKIS: -- the environmental performance labels scores were derived and more information about the scores.

MS. CHILADAKIS: Here's information about the smog score.

MS. CHILADAKIS: So there are a number of tools, hopefully you can see, that are available to search for clean cars that will meet different people's needs and help them hopefully buy the cleaner option and see there are a lot of vehicles that will meet their needs.

MS. CHILADAKIS: Moving on to the traffic the site is getting. Currently, we're getting about 5,000 hits per month.
Each visit averages about six pages and people spend a little over three minutes on the site. On average, 18 percent of the visitors are direct traffic, 33 percent from Google searches, and 14 percent from ARB's website.

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MS. CHILADAKIS: So now I'll provide an overview of how we plan to promote the site.

In January 2010, we are conducting paid advertising using Google keyword search. This way, when Californians use different keywords on Google, such as "new cars" and "clean cars," the Drive Clean website will show up in the results at the top.

We are also getting some free website advertising on the Clear Channel and CVS station websites. We plan to use social marketing such as Facebook and Twitter.

ARB will work on promoting the site through a number of media outlets as well as internal partners, such as Cool California, and then other partners such as CAPCOA, Car and Driver, car buying websites and OEMs, as well as State agencies such as DMV, BAR, and CEC.

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MS. CHILADAKIS: So in closing, Drive Clean is a resource for car buyers to find the cleanest cars on the market. Consumers will find there are a variety of makes
and models that fit their lifestyle. And with the new
environmental performance labels, it will be easy to
determine the cleanest cars available.

I want to thank the certification staff for
working with us to get the data into our site and our
contractors for all the work they did to help us achieve
this site this time.

So that concludes my presentation. We're open to
take questions.

ACTING CHAIRPERSON RIORDAN: Thank you very much.

I think it's very workable site.

And let me turn to the Board members. Any
questions or comments on this?

BOARD MEMBER SPERLING: Well, we looked up John's
diesel Jetta, and it did moderately well. So he's happy.

BOARD MEMBER BALMES: Tom told me I could buy
that car.

ACTING CHAIRPERSON RIORDAN: Any other questions
or comments?

Again, thank you very much. And let's hope
people use it.

I hope there's -- don't I recall a public sort of
announcement that this is available and it will be sent
out?

And I had also asked the staff if maybe we could
have -- if we really want to have this used, maybe some showrooms of automobile dealers would be willing to have something of an information card. And I said, of course, if there are any automobile dealers left, but certainly some in the area. And maybe you'd like to start in a particular area and see if it's something people would pick up on and use. I think they would if they knew about it. But we need to get them to know about it.

We're going to move on to Agenda Item 09-9-3. This is on our air quality legislation for the year.

And the Chairman Nichols had asked Rob Oglesby, our Legislative Director, to give us an overview for this legislative year. And other than understanding we're still in debt, what else do we know, Mr. Oglesby?

EXECUTIVE OFFICER GOLDSTENE: I just want to say thank you, Madam Chair.

Perhaps the most significant of this year's bills which have direct impact on the Board's activities and workload turned out to be the package of energy measures that prompted the Governor to delegate additional energy responsibilities to ARB.

In addition to that major impact on our program, there are a number of other bills that address a wide array of air quality issues ranging from climate change and all economic impacts, goods movement, as well as
financial consideration for those who must respond to our regulatory requirement.

Now our Legislative Director Rob Oglesby will explain the year's session and talk about other items.

Go ahead, Rob.

(Thereupon an overhead presentation was presented as follows.)

LEGISLATIVE DIRECTOR OGLESBY: Thank you, Mr. Goldstene. Madam Chair and Board members, good afternoon.

I want to thank you for this opportunity to provide an overview of significant actions and trends in the California Legislature for 2009. My last report to the Board was in March when I reviewed the Legislature's actions to revise the budget and previewed bills and issues that the Legislature would consider this year.

LEGISLATIVE DIRECTOR OGLESBY: The regular session officially recessed on September 11th. The session concluded with more of a whimper than a bang, and there were no fewer than seven special sessions running concurrently with the regular session. Work continues, so the Legislature is now more or less meeting year round.

LEGISLATIVE DIRECTOR OGLESBY: In fact, part of the year-round activity includes greater use of special
hearings. As you can see by this slide, we have been busy. So far, there have been 15 special hearings related to air quality and climate change, and there are two more scheduled before the end of the year.

In spite of the level of activity, this was not a banner year for air quality and climate legislation.

On the positive side, it is important to recognize the continued support for strong action to clean the air and curb global warming.

ARB's budget remains intact, and our air quality and climate change duties continue to grow.

As I reported last March, the economy was and remains the dominant concern in the Legislature. Angst over perceived costs and risks associated with air quality and climate change programs has driven some to seek re-evaluation or delay of some of ARB's most significant regulations.

LEGISLATIVE DIRECTOR OGLESBY: This past July, you revised the off-road equipment regulations to implement Assembly Member Nestande's AB 2 that was approved in the second special session. That bill, as you will recall, effectively delayed the off-road rule for two years due to the slow down in the construction industry.
There were several other bills seeking to delay or soften regulations. For example, SB 507 by Senator Cox sought a one-year delay in the enforcement of upgrades to gasoline station vapor recovery systems. And AB 453 by Assembly Member Garrick sought to relax penalties for stations that did not install upgrades on time.

The issue was resolved without legislation when the Air Board, in conjunction with local air districts, agreed to an administrative solution that gave stations additional time to comply if they made a good faith effort to make progress.

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LEGISLATIVE DIRECTOR OGLESBY: In addition to specific bills spawned by concerns over the economy, many legislators have made direct appeals for Board action to delay rule implementation. The Board recently received a letter requesting a delay of the on-road truck rule and the off-road equipment rule until the economy recovers. That letter was signed by 52 members of the Legislature.

That letter was followed by another letter signed by 50 legislators asking for a five-year delay of three sets of regulations that affect the water well drilling industry.

These are signs of the times. Legislative concerns with the economy cuts across all program areas.
Granted, many of the programs to clean the air impose significant costs. However, delay also has consequences in terms of the human cost of slower progress to improve public health and the costs of lost productivity and higher health care expenses.

The positive message is that much of the solution lies in the promise of green jobs and innovation. The economy will recover. And as we emerge from the recession, the question is whether the new economy will rely less on fossil fuels and depleting resources or more on sustainable resources, advanced technology, and a smaller carbon footprint.

LEGISLATIVE DIRECTOR OGLESBY: This is a good segue to my next topic: Energy. By far, the most significant and challenging development emerging from the session was the Legislature's approval and the Governor's veto of the legislation that would have established in statute a 33 percent renewable portfolio standard for the state's electricity.

LEGISLATIVE DIRECTOR OGLESBY: SB 14 by Senator Simitian and AB 64 by Assembly Member Krekorian were the principle vehicles for a heavily negotiated package that would have established a 33 percent renewable energy
The state currently has a 20 percent renewable energy requirement that applies to investor-owned utilities. As you know, the Scoping Plan, as well as a Governor's Executive Order calls for a 33 percent goal that applies to all electricity in the state. The Scoping Plan anticipates a 21.3 million metric ton emission reduction through this strategy.

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LEGISLATIVE DIRECTOR OGLESBY: As I mentioned, the bill was heavily negotiated throughout the legislative session. There was extensive involvement by energy interests of all stripes, environmentalists, community groups, rate payer advocates, and organized labor, among others. The Legislature conducted multiple hearings and many behind the scene negotiating sessions. And finally a package was approved at the eleventh hour and sent to the Governor.

Unfortunately, the final product that was approved by the Legislature lacked several key components the Governor had requested in a May 22nd letter sent to legislative leadership. Although the letter was quite detailed and contained several conditions for legislation that the Governor would sign, the Governor's veto message highlighted the most important deficiencies -- restriction
on the import of renewable electricity from out-of-state resources and an additional level of state review for new California renewable generation.

The Governor stressed "that the bill adds new regulatory hurdles to permitting renewable resources in the state, at the same time limiting the importation of cost-effective renewable energy from other states in the west."

LEGISLATIVE DIRECTOR OGLESBY: While acknowledging that the enactment of a statute would be the best mechanism to guide a 33 percent renewable requirement, the Governor issued an Executive Order that directs ARB in conjunction with the Public Utilities Commission, the Energy Commission, and the California Independent System Operator to adopt a regulation under the authority of AB 32 that would establish a 33 percent renewable standard. The Board is required to act by July 1, 2010.

As you can imagine, this is a daunting task. But ARB staff is already working with the full cooperation and assistance from the PUC, the Energy Commission, and the Independent System Operator, and others to implement the Governor's order.

A draft renewable energy regulation concept paper
has been completed, and the ARB held its first public workshop on October 30. You will hear more about this from the next item on your agenda, AB 32 implementation update.

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LEGISLATIVE DIRECTOR OGLESBY: Another significant energy-related issue addressed by the Legislature this year is the passage of the legislation that frees emission reduction credits for power plants in the South Coast Air District.

In 2007, the district revised its rule to permit the transfer of offsets from a special account to power plants. A group of environmental community groups successfully sued the district, alleging violations of CEQA.

The court-imposed moratorium on the use of credits, blocked the construction or modification of power plants, and also stopped some essential public service projects, such as sewage treatments plants and fire stations, installed permits for new and expanding small businesses in the districts.

The South Coast district sought a legislative solution. A number of bills were introduced to provide relief from the court decision. Ultimately, SB 827 by Senator Wright and AB 1318 by Assembly Member Manual Perez
Notwithstanding the court ruling, SB 827 allows
the district to issue offsets until May 1, 2012, for
essential public services and businesses, including the
re-powering of power plants.

Assembly Member Manual Perez's AB 1318 provides
emission reduction credits for a single new power plant,
the Sentinel Energy Project. The Sentinel project is a
proposed 850 megawatt gas-fired power plant that would be
located in Desert Hot Springs.

LEGISLATIVE DIRECTOR OGLESBY: AB 1318 also
includes a challenging task for ARB -- a requirement for
the Board to prepare a report that evaluates the
electrical system reliability needs of the South Coast
basin by July 1, 2010.

This assignment arises out of the need for a more
holistic approach to energy planning that includes
consideration of renewable energy while optimizing the
cleanest conventional energy for reliability.

The report should serve as the blueprint that
guides energy regulators, permitting authorities, and the
courts for newer, cleaner, and more efficient facilities
that can support and integrate renewable energy sources
such as solar and wind facilities while maintaining
electrical supply reliability. This includes considering
the need for easily dispatchable electricity from the
cleanest conventional energy resources, such as combined
cycle natural gas power plants, as well as other
strategies that include energy from co-generation,
distributed generation, and improved efficiency.

The bill provides no guidance as to how far in
the future ARB must look. But given the short time period
to prepare the report, it seems reasonable to rely
principally on existing data and resources. The ARB will
work in consultation with the Energy Commission, the
Public Utilities Commission, the State Water Board, and
the Independent System Operator to prepare the analysis
and recommendations.

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LEGISLATIVE DIRECTOR OGLESBY: While renewable
energy and other new energy resources are vital components
to greenhouse gas reducing strategies, much can be gained
from improving the consumption of energy from California's
existing housing and commercial building stock. AB 758 by
Assembly Member Skinner requires the Energy Commission to
develop an energy efficiency program for California's
existing residential and commercial buildings.

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LEGISLATIVE DIRECTOR OGLESBY: Let me now take a
few moments to comment on legislation relating to AB 32 implementation.

One of the most striking aspects of the Legislature with respect to climate change is how few of the members of the Legislature who originally voted on AB 32 remain in office today. Fully three-quarters of the Assembly and over half of the State Senate had not even been elected to office when AB 32 was passed just this past 2006. Of the 54 legislators listed as authors or co-authors of AB 32, only 23 remain in office today.

Opponents of AB 32 and climate change mitigation have aggressively sought to delay the climate change program's implementation by linking it to the lingering recession. As you know, this campaign has several active fronts, including the media, the courts, and certainly the Legislature.

There were at least six bills in the 2009 session that sought to eliminate or substantially delay ARB's implementation of the AB 32 program on economic hardship grounds. None were successful.

LEGISLATIVE DIRECTOR OGLESBY: However, three bills that compliment implementation of AB 32 were signed by the Governor.

AB 881 by Assembly Member Huffman creates the
Sonoma County Regional Climate Protection Authority. The Authority will coordinate greenhouse gas emission reduction activities within Sonoma County and assist local government entities in meeting their greenhouse gas emission reduction goals.

SB 104 by Senator Oropeza adds nitrogen trifluoride, or NF3, to the statutory list of greenhouse gases subject to control under AB 32. NF3 has a very high global warming potential and its use is on the rise in the semiconductor and electronics industries.

Under the broad authority granted by AB 32, you approved regulations that control the use of this high global warming gas this last February.

Senator Liu authored a bill that will help support efforts to reduce greenhouse gas emissions associated with land use decisions. SB 391 requires Caltrans to prepare and issue statewide transportation plans that assess and report on the effectiveness of the transportation and land use measures for reducing greenhouse gases.

LEGISLATIVE DIRECTOR OGLESBY: Two climate related bills that reached the Governor were vetoed.

AB 1404 by Assembly Member De Leon attempted to restrict carbon emission offsets. This bill would have
effectively limited the use of offsets to no more than 2 percent of greenhouse gas reductions under AB 32 and would have limited California's ability to collaborate in regional partnerships, such as the Western Climate Initiative.

Noting the ongoing work of the Economic and Allocation Advisory Committee, Governor Schwarzenegger found AB 1404 to be premature.

The second bill by Senator DeSaulnier, would have authorized metropolitan planning organizations and other local government entities to impose a one to $2 surcharge on vehicle registrations to pay for regional land use planning activities associated with greenhouse gas emission reduction efforts. The bill was vetoed because the Governor supports voter approval of increases in registration fees.

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LEGISLATIVE DIRECTOR OGLESBY: A related bill signed by the Governor, Senator Hancock's SB 83, authorizes countywide transportation planning agencies to impose an annual fee of up to $10 on motor vehicles registered in the county for transportation and pollution mitigation related programs and projects. The fee requires a majority voter approval and could raise 300 million statewide if each county in the state were to
approve such an increase.

LEGISLATIVE DIRECTOR OGLESBY: I want to now briefly mention a few miscellaneous bills that may be of interest starting with a bill that affects how ARB conducts its rulemaking.

AB 185 by Assembly Member Mendoza compels the release of all technical, theoretical, and empirical information used in the staff report supporting ARB proposed regulations. The information must be released prior to the 45-day pre-hearing comment period.

And, finally, I want to mention a bill that compliments the AB 375 land use program.

LEGISLATIVE DIRECTOR OGLESBY: Senator Lowenthal's SB 728 strengthens the enforcement provision of the parking cash-out program by explicitly allowing local governments and districts to enforce the program. Previously, it was unclear if local jurisdictions had enforcement authority. At this point, the city of Santa Monica is the only municipality that employs and enforces a parking cash-out program. This bill provides certainty to the enforcement authority of local governments and districts.

The Governor vetoed another parking cash-out
bill, AB 1186 by Assembly Member Blumenfield, that would
have required landlords to isolate parking costs in tenant
leases. The Governor preferred to take a wait and see
approach that relies on the bill he signed, SB 728, to
empower local jurisdictions to develop and enforce this
strategy.

LEGISLATIVE DIRECTOR OGLESBY: All of the air
quality and climate change bills along with a veto and
signing messages and a listing of the special hearings are
presented in our annual legislative report. You should
have this report before you, and copies are available here
for members of the public. The report can also be
accessed on our website.

LEGISLATIVE DIRECTOR OGLESBY: This concludes my
presentation.

Thank you for your attention. And on behalf of
the entire Legislative office, I want to thank the Chair,
Mr. Goldstene, the Executive Office, and Program staff for
their valuable and steadfast support.

ACTING CHAIRPERSON RIORDAN: Thank you, Mr.
Oglesby.

EXECUTIVE OFFICER GOLDSTENE: Thanks, Rob.

ACTING CHAIRPERSON RIORDAN: Mr. Goldstene.
EXECUTIVE OFFICER GOLDSTENE: I just wanted to thank Rob and his staff. They often work long, long hours. And even though we are on furlough, the Legislature is not. And often they are in the office on Friday as well. And the growing number of special hearings has kept his team and all of us quite busy throughout the year. The normal legislative cycle has gone away.

ACTING CHAIRPERSON RIORDAN: Very good.

Questions?

Supervisor Yeager.

BOARD MEMBER YEAGER: Just a comment and a thank you.

He was very helpful during my confirmation hearings of which were scheduled and unscheduled and scheduled again and scheduled again and kept me informed of everything that was happening and walked me through the whole process. Thank you very much.

ACTING CHAIRPERSON RIORDAN: Yes, Dr. Telles.

BOARD MEMBER TELLES: Rob, I have a question on something you didn't mention. Was there a piece of legislation that had to do with fee rebates for utility companies? If you generate your own electricity through solar power that the customer would be paid? I heard murmurs there was something like that that was going
through the Legislature.

LEGISLATIVE DIRECTOR OGLESBY: There may have been some bills related to the connection and the structure of that. And I believe there were. But I'll have to do a little digging. It wasn't a bill I was particularly involved with.

BOARD MEMBER TELLES: It never got signed?

BOARD MEMBER LOVERIDGE: The feed-in tariff was passed and signed. I think the feed-in tariff one -- I forget what number it was.

BOARD MEMBER TELLES: It wasn't passed?

BOARD MEMBER LOVERIDGE: It was passed and signed.

LEGISLATIVE DIRECTOR OGLESBY: The feed-in tariff, which is what I was alluding to, because it changes the structure for how you deal with people that generate their own Electricity and feed it into the grid. I don't recall the bill number off the top of my head, but I can get you information on that.

ACTING CHAIRPERSON RIORDAN: Other questions?

Comments?

Then thank you very much.

And we'll have our next agenda item, which is 09-9-4. This is an update on the implementation of AB 32 Scoping Plan that the Board approved almost one year ago.
in December of 2008. They've accomplished a tremendous amount of work over the past year. We have only one more year to develop and improve the rest of the greenhouse gas reduction regulations identified in the Scoping Plan. We need to maintain our momentum and re-double our efforts to reach the Governor's 33 percent renewable energy standard and the cap and trade regulations.

There's some notes here from the Chairman. I think I'll go directly to Mr. Goldstene, because I don't want to lose a quorum here.

EXECUTIVE OFFICER GOLDSTENE: Thank you, Madam Chair.

This item is another in the series of updates to the Board on our progress in implementing the Climate Change Scoping Plan.

It's been more than three years since Governor Schwarzenegger signed AB 32 and the Air Board embarked on this nationally and internationally recognized effort to reduce greenhouse gas emissions.

This has been a huge challenge. As you mentioned, we still have a lot of work before us and very little time to complete all of this by the end of next year.

This has been and remains a collaborative statewide effort among the other State agencies. Without
the ongoing support of our sister agencies, we would not
be where we are today. Stakeholders and other
jurisdictions have also been very important to the
development of the Scoping Plan and the subsequent
development of specific emissions reductions measures,
like the low carbon fuel standards.

Today, staff will provide an update on our
implementation activities since our last update for you in
June. These activities include measures that have been
approved, evaluations underway, and measures under
development including energy efficiency, and federal
regulatory activity, and legislation in Congress.

Robert Duvall from our Office of Climate Change
will present this item. Robert.

(Thereupon an overhead presentation was
presented as follows.)

MR. DUVALL: Thank you, Mr. Goldstene.

Madam Chair, Board members, it's an honor to be
here today to present our Climate Change Scoping Plan and
implementation update as we approach the one-year
anniversary of its approval.

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MR. DUVALL: Today, I will update you on a number
of topics, including a review of approved measures, a
preview of significant upcoming actions, a brief look at
federal activity. And, finally, with an eye toward Copenhagen, we'll also cover international activities.

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MR. DUVALL: As you know, we have been very busy. The Board has approved a dozen of the 30 ARB regulations identified in the Scoping Plan, including all nine discrete early actions.

In addition to measures approved by ARB, other agencies have approved four other measures, including energy efficiency and the existing 20 percent renewable portfolio standard.

Together, the measures that have already been approved will reduce our emissions by about 70 million metric tons in 2020, which is over 40 percent of the way toward our goal of reducing emissions back to 1990 levels.

This summer marked the first year of mandatory reporting data submission with a 97 percent compliance rate. And just this week, ARB posted the data on our website for easy public access.

As staff begins developing and implementing the Scoping Plan measures, we are refining our understanding of the measures and the estimated benefits. In some cases, we have found that the approach we originally envisioned may not be the best way forward.

For example, the Scoping Plan included a measure
to require low friction engine oils in passenger cars.

After further investigation by staff, we found that existing industry oil standards will lead to efficiency improvements. Instead of pursuing a separate regulation, we propose to incorporate these benefits into the Pavley two rulemaking next year.

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MR. DUVALL: You can keep track of our progress by following our regularly updated implementation timeline which is available at the link on the screen. We have also placed copies of the timeline on the tables outside of the auditorium behind me.

This five-page document has become very popular. It has been downloaded on average 5,000 times a month since being published early this year.

Here, you can see the first three rows of the timeline showing links, contacts, statistics, and other information to help the public follow our progress.

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MR. DUVALL: I'd like to spend a little time focusing on the low carbon fuel standard, or LCFS, that was approved in April. The LCFS is the most significant Scoping Plan measure that the Board has considered this year. ARB's approach in the LCFS has generated interest from many jurisdictions. We have participated in federal
discussions about fuel regulation, and we have had
meetings with northeast states and are partners in the
Western Climate Initiative, or WCI.

Next month, staff will update you on the progress
of our expert work group that is advising ARB on indirect
or life cycle emissions from land use change. We will
also update you on our sustainability work plan that will
incorporate sustainability provisions into the LCFS and
report on our guidance document for bio-refinery siting.

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MR. DUVAL: Now I'd like to discuss some of the
regulations that the Board will consider over the next 12
months. I'll start with cap and trade.

You will recall that the Scoping Plan included a
commitment to adopt the cap and trade program. Later this
month, we will release a preliminary draft regulation
which will confirm California's commitment to move ahead
with the first broad-based greenhouse gas cap and trade
program in the United States. The program will include a
stringent decline in cap to ensure emission reductions as
well as trading and offsets to provide flexibility for
covered entities.

The preliminary draft was developed with
extensive outreach to stakeholders and the public and in
coordination with our WCI partners. To date, we have had
19 public meetings to cover important aspects of the regulation, like reporting, offsets, leakage, point of regulation, linkage with other programs, and economics. Release of this preliminary draft starts the next phase of this rulemaking as we continue to work with stakeholders on the details of the regulation itself. We will hold many more workshops as we move toward a staff proposal next year. We expect to bring this regulation to the Board for your consideration next October.

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MR. DUVALL: One important component of the cap and trade regulation is how allowances or permits to emit will be distributed.

In May, Chairman Nichols and Cal/EPA Secretary Linda Adams appointed an Economic and Allocation Advisory Committee, or EAAC. Comprised of economic, financial, and policy experts with the various backgrounds and experiences, EAAC will advise ARB on the allocation of allowances. The Committee will also evaluate the implications of different allowance allocation strategies, such as free allocation, auction, or combination of both. The EAAC has held five meetings to gather information and develop their recommendations, including a meeting yesterday in San Francisco. We expect EAAC to provide their recommendations in January.
In addition, a subcommittee of the EAAC is also advising ARB on our economic analysis.

When the Scoping Plan was approved last December, the Board requested the staff re-visit our original economic analysis. We held a workshop on Monday to discuss the modeling effects for the economic analysis, and we have been working closely with the subcommittee of the EAAC.

At yesterday's EAAC meeting, the Chair of EAAC, Dr. Larry Goulder, noted ARB is on track to release an economic analysis report this year. Nevertheless, the EAAC has not had time to focus on the analysis. Dr. Goulder requested two months for the EAAC to work closely with the ARB to finalize the analysis.

We believe the input and active involvement of EAAC is critical to a sound economic analysis. Because of this, we will release a report and brief the Board in February 2010.

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MR. DUVALL: I also want to mention the public health analysis that we are planning for the cap and trade program. We are collaborating with the California Department of Health to conduct a health impact assessment of the proposed cap and trade regulation and we will be responsive to feedback from an Academic Advisory
Committee.

We also plan to hold public workshops to discuss the health assessment. The health impact assessment is expected to be finished in early 2010. It will be a qualitative evaluation of the potential health benefits and impacts of selected cap and trade program design options.

Staff is also in the process of drafting a white paper to identify the most disadvantaged communities in California to be used for AB 32 programs generally.

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MR. DUVALL: Let me now turn to some of the items that you will hear more about in December.

In its current form, the zero emission vehicle, or ZEV, regulation helps support both the low carbon fuel standard and our Pavley greenhouse gas standards for light-duty vehicles. This occurs through the expansion of the non-petroleum low carbon fuels market and the fact that ZEVs are inherently more energy efficient than cars powered by standard internal combustion engines.

ARB staff will be providing you with a comprehensive update on the ZEV program at the Board meeting next month. We'll also describe our efforts to merge this criteria pollutant program with the state's greenhouse gas goals.
Over the next few years, you will see more instances of incorporating greenhouse gas considerations into criteria pollutant programs and of incorporating criteria pollutant considerations into greenhouse gas programs.

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MR. DUVALL: Also, next month, we will be bringing the proposed high global warming potential refrigerant management program for Board consideration. This will be the first statewide greenhouse gas rule to reduce refrigerant emissions from commercial and industrial refrigeration systems.

As proposed, this rule will apply to facilities, such as cold storage warehouses, food preparation and processing facilities, and supermarkets. We have been actively engaging stakeholders, including commercial and professional organizations, through an extensive outreach process. This measure will result in a reduction of eight million metric tons, primarily through reducing leaks and following best management practices.

This measure is the fifth largest source of emission reductions identified in the Scoping Plan and on average is expected to provide a cost savings to California businesses.

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MR. DUVALL: Now I would like to take a few minutes to discuss the energy sector. As you know, ARB recently started work on a renewable electricity standard. With this in mind, we wanted to provide some background, starting with energy efficiency.

Commercial and residential building energy efficiency is still one of the least expensive ways to cut emissions, and ARB is continuing to be actively involved with California's two energy agencies who are leading these efforts.

The Public Utilities Commission, or PUC, recently authorized the investor-owned utilities to commit $3.1 billion of public goods charge funds to increase energy efficiency in existing buildings. These new funds reflect a shift from efficiency programs of the past 30 years which focused primarily on lighting toward deeper cuts in both home and commercial buildings.

The California Energy Commission, or CEC, is also currently working on the next round of standards to make new buildings even more efficient. And both agencies are committed to pursuing zero net energy new homes by 2020 and zero net energy commercial buildings by 2030. And, yes, the CEC adopted the nation's first energy efficiency standards for televisions.

Finally, a note that recent legislation AB 758
requires the CEC to develop a program aimed at existing
residential and commercial buildings. These are all
positive steps towards our Scoping Plan goals.

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MR. DUVALL: In addition to building efficiency,
expiring coal contracts that won't be renewed because of
previous legislation and the California Solar Initiative
or million solar roofs will further reduce electricity
sector emissions.

While these measures pre-date the Scoping Plan,
they provide important emission reductions and are
essential components of our overall approach. The PUC is
also making progress on a feed-in tariff for smaller
combined heat and power for CHP facilities. And ARB has
been working with stakeholders to get input on how to best
develop policies that facilitate additional CHP capacity.

CHP is another form of efficiency, because the
heat generated by electricity production is used in
industrial applications, unlike power plants in which the
heat is wasted. The Scoping Plan anticipates almost seven
million metric tons of emission reductions from CHP in
2020.

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MR. DUVALL: Because how we use energy is so
important, we have put together a series of slides showing
how energy efficiency together with other measures can dramatically reduce emissions from the electricity sector. Here you can see an example of business as usual emissions for the electricity sector from 2008 to 2020. It is important to note that these figures are just illustrations to help show the integrated nature and the relative scale of the many emission reduction measures identified in the Scoping Plan. Therefore, numeric values have been omitted to better focus on the relationship of these measures.

Energy efficiency is the keystone of emission reductions from the electricity sector. By reducing electricity consumption, we reduce our need for more expensive measures and ultimately achieve our overall energy sector goals at a lower cost.

The Scoping Plan sets significant emission reduction goals for the energy sector. Here you can see that efficiency alone can keep electricity sector emissions relatively flat through 2020. The Scoping Plan identified over 15 million metric tons of emission reductions from efficiency in the electricity sector in 2020. Commercial and residential buildings account for most of our electricity use.

The Scoping Plan goals for building and appliance energy efficiency are very aggressive and will require the
type of innovative and unprecedented approaches and strategies that are now starting.

Although the 2020 goal does not require a decrease in total energy consumption, putting California on a course towards our 2050 goal will mean that overall consumption must decrease even as population and the economy grow.

Here you can see the additional reductions from the expiring coal contracts shown as the green line.

Now we see the reduction from a million solar roofs shown as the blue line.

The Scoping Plan commitment for increased combined heat and power, or co-generation, is shown here as the purple line.

Together, efficiency, the coal drop-off, solar roofs and combined heat and power significantly reduce electricity emissions in 2020.

MR. DUVALL: Now I'll talk a little bit about the role of renewables in the electricity sector.

On September 15th, 2009, the Governor issued Executive Order S 2190 directing ARB to develop a 33 percent renewable electricity standard. This standard, together with the existing 20 percent renewable portfolio standard, will achieve the 21 million metric tons of
reductions identified in the Scoping Plan.

Developing the renewable electricity standard over the next seven months will be a challenge, but we are committed to working with the PUC, the CEC, and Cal ISO in bringing the proposal before the Board in July of next year. We have already released a concept outline and held one workshop so far, with a second workshop planned for mid December.

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MR. DUVALL: And, finally, here you can see what it all looks like together and why renewables are such an essential part to this integrated approach to the electricity sector. Combined with efficiency and other measures, renewable electricity will help California reduce its electricity sector emissions by over 50 million metric tons in 2020 as identified in the Scoping Plan. Efficiency in the other measures are very important, because they lower the baseline or starting point for reaching 33 percent renewables.

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MR. DUVALL: California's climate change program effects all sectors and requires that we work closely with many other State agencies.

Now I want to talk a little bit about our activity with other agencies. Although at ARB we focus on
mitigation, adapting to the unavoidable impacts of climate change is critical to the state. The California Natural Resources Agency recently released the 2009 California Climate Adaptation Strategy discussion draft. In response, the Climate Action Team is re-aligning in order to integrate the State's mitigation and adaptation activities.

In the water sector, the recent water legislation signed by the Governor mandates a 20 percent reduction in urban per capita water use which is equivalent of our Scoping Plan water use efficiency measure. The legislation also promotes water recycling, which will help achieve another Scoping Plan measure.

The Waste Board is taking the lead role in developing a regulation for mandatory commercial recycling. We are partnering with the Waste Board on this regulation under ARB's AB 32 authority. We plan to bring it to you for your consideration late next year and work with the Waste Board on implementation and enforcement.

ARB staff continues to participate on the Green Collar Jobs Council to help create a well-trained workforce capable of filling the jobs necessary to promote renewable energy development, climate change strategies, vehicle fuel technology, and green buildings.

We are also working with the CEC and other State
agencies to form a Blue Ribbon Committee to develop
technologies and policies related to carbon capture and
sequestration.

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MR. DUVALL: Now I want to spend a moment on
federal activities. There are really two fronts ARB is
engaged in: The actions of the U.S. EPA and those of
Congress.

Under the Obama Administration, U.S. EPA has
become active in the area of greenhouse gases.

In June, California received our long-awaited
light-duty vehicle waiver, which allowed us to harmonize
with the new national standards.

And in September, EPA finalized their own GHG
emissions reporting rule. We are working with EPA to
harmonize their reporting requirements with our existing
rule.

In addition, EPA is moving forward on a proposed
rule dealing with permitting of stationary greenhouse gas
sources. This is being called the tailoring rule, because
EPA is tailoring existing Clean Air Act requirements in
order to address the differences in permitting GHG
emissions. ARB is closely following this due to its
potential implications for California sources.

Congress has been equally busy. In June, the
U.S. House of Representatives passed the American Clean Energy and Security Acts of 2009 or Waxman-Markley. This was the first major federal climate change legislation passed in either House of Congress. Currently, the Senate is debating their version.

Although we welcome federal action, we firmly believe that California and other states must retain the ability to innovate and push the federal government when necessary. ARB continues to actively work with our partners in other states and in Washington, D.C. to maintain our strong programs.

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MR. DUVALL: And, finally, I'd like to take a moment to discuss a few activities that extend beyond our borders. California recently hosted the Governor's 2nd Global Climate Summit with other jurisdictions to discuss how some national governments can play a role in reducing GHG emissions. Some of the results of the summit include a broad-ranging declaration to support clean transportation, national climate change legislation, adaptation, and recognition of the role of some national governments in all aspects of global climate solutions. Following up on the de-forestation MOU signed at the first summit, this year an MOU and a joint letter were sent to the leaders of the United States, Brazil, and
Indonesia regarding the need for leadership in forest and climate policy.

In the state of California and the Jiangsu Province of China signed a framework agreement to collaborate on energy efficiency, low carbon energy, and better infrastructure and planning.

California and other states will also provide leadership in the upcoming discussions in Copenhagen. ARB will be represented by Chairman Nichols, Board Member Sperling, and senior staff.

Through agreements and partnerships like the ones signed at the Governor's summit, we intend to help move parties toward agreement on important policy goals, like energy efficiency, low carbon fuels, renewable energy, and for efforts.

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MR. DUVALL: In summary, you can see that much has been accomplished in 2009. But in looking forward, it is apparent that both the Board and the staff will be quite busy in the next year. Our actions and leadership continue to have a positive impact in the region, the nation, and the world.

ACTING CHAIRPERSON RIORDAN: Thank you.

MR. DUVALL: This completes the presentation. At this time, we'll take any questions you have.
ACTING CHAIRPERSON RIORDAN: Thank you for that very good report.

Mayor Loveridge.

BOARD MEMBER LOVERIDGE: Quick question. Thirty words or less, just let's take hypothetically that the Senate would agree with the House's climate bill. What difference would it make for the state of California and AB 32?

EXECUTIVE OFFICER GOLDSTENE: I'll answer that. We're watching and participating in the process in Washington very closely. Brian Turner, our Assistant Executive Officer, is there. I was in Washington last week with other states who are developing climate programs and the other two regional programs. We're part of Western Climate Initiative, but there's also a Midwestern Governor's Accord and RGGI. And the three regions have been working together in anticipation of just that event, and the issues of timing are very much on our mind.

While we're waiting, we've been talking about linking together once our programs are up and running to get as much of a climate impact as we can. As Dr. Telles mentioned this morning, if we do this by ourselves, it's not significant enough. We have to be working in as big an arena as we can. And this is specifically about cap and trade programs for the most part.
With regard to other parts of our program dealing with the so-called complimentary measures, low carbon fuel standard, and the other measures, we would continue to operate those.

But if there is federal legislation, it is likely -- although not certain -- but it's very likely that a cap and trade program would be preempted sometime in the future at the state level.

And so part of the discussion we've been having is how would we transition from a program that we have up and running to a national program and making sure that all the carbon currencies were able to work together and that businesses weren't double charged, et cetera. So it's a transition is the big issue. And, of course, it's very complicated, and we're trying to work it all out in anticipation of some success at the national level.

BOARD MEMBER LOVERIDGE: Thank you.

ACTING CHAIRPERSON RIORDAN: Thank you.

Board members, I hate to do this, but there is an issue of how we retain a quorum. We do have some people who wish to speak under public comment. So if you don't mind, I'd like to move forward. I know staff is available to answer any of your questions. They are most happy to do that. And if I could do that, I would be grateful.

So having said that -- this item had no
witnesses, by the way. No one from the audience wished to speak on this.

We do have two items left: Opportunity for Board members to comment on matters of interest and the public comment. So let me deal with number one first.

BOARD MEMBER TELLES: Thank you, Chairman.

Earlier, we heard a report about the importance of controlling PM2.5 and the importance of that in regards to health. And I had mentioned that I would make a statement in regards to our dealing with that.

And I'm going to request, because of ethical and legal implications related to the December 12th, 2008, vote on the truck rule that the truck rule be set aside until we go through a process of re-looking at the report of methodology for estimating premature death associated with long-term exposure to fine airborne particulate matter in California.

And I wish to read now into the public record a letter that I wrote to Ellen Peter, Chief Counsel, which pretty much outlines the reason why I strongly feel about this.

I'm going to read this letter.

This letter is dated November 16th, 2009. "My review of events and circumstances preceding the December 12th, 2008, vote on the
truck rule has revealed documented facts and
pertinent information not brought to the
attention of the Board prior to the vote on the
truck rule.

"Key CARB personnel knew that the project
 coordinator and lead author, the individual, on
the report 'Methodology for Estimating Premature
Death Associated with Long-Term Exposure to Fine
Airborne Particulate Matter in California' had
misrepresented his credentials by falsely
claiming that he had a Ph.D. in statistics from
the University of California At Davis. Key CARB
personnel failed to inform the full Board and the
public of this information.

"In CARB's own internal documents, this
information was deemed to be pertinent. CARB, in
a communication sent to the individual stated,
'Your dishonesty regarding your education has
called into question the validity of the report,
'Methodology for Estimating Premature Death
Associated with Long-Term Exposure to Fine
Airborne Particulate Matter in California,' in
which you were the project coordinator and lead
author. This report, in turn, supports other
controversial and critical regulations adopted by
Air Resources Board.'

And there's an exhibit that explains that.

"The methodology report was pertinent to the truck rule, because it supports Appendix D, Health Impacts from On-Road Diesel Vehicles, and Appendix E, Health Risk Assessment Methodology, which make the fundamental argument for the reason for rulemaking.

"This information is material to the vote, because had I, as a Board member, been informed of this information, I would have and perhaps other Board members would have moved to suspend the vote. I believe that it is the ethical if not legal obligation for staff and Board members to inform the whole Board of all pertinent information prior to a vote on state regulations so that a Board member may make an informed decision when casting a vote."

The following is a brief outline of information that came to my attention on key CARB personnel prior to the vote.

In a letter dated July 7th, 2008, sent to Governor Schwarzenegger, Dr. Stanley Young of the National Institute of Statistical Science stated that none of the authors of the draft "Methodology for Estimating Premature
Death Associated with Long-Term Exposure to Fine Airborne Particulate Matter in California" are professional statisticians.

The duty for drafting a response to this inquiry was given to the project coordinator and lead author of the report, the very person who later confesses that he misrepresented his credentials.

In this draft, the lead author falsely claims he had a Ph.D. from the University of California at Davis. This drafted letter date November 4th, 2008, was signed by the Secretary of California EPA and was sent to Dr. Young. To date, Dr. Young has not received a letter from the Secretary of the California EPA correcting this false claim.

On December 3rd and December 4th, 2008, a professor from UCLA communicated with three CARB Board members alleging the individual did not have a Ph.D. in statistics from California of University Davis. At least one Board member called senior staff at CARB, and an investigation was initiated.

On December 8th, 2008, the Chief of the Research Division asked the individual if he had a Ph.D. in statistics from U.C. Davis. The individual on the evening of December 10th, 2008, confessed to the Chief of the Research Division that he did not have such a credential.
The following day, ARB had convened to deliberate on the truck rule. At that time, this Chief informed the Executive Officer, the Chief Deputy Executive Officer, the Deputy Executive Officer, the Chief of the Heavy-Duty Diesel End Use Strategies, and the Chief of the Mobile Source Control Division, the Chief of the Health and Exposure Assessment Branch, and at least one Board member of the individual's confession. This information was not, however, relayed to the full Board.

It was not until nine months later that at the public meeting of CARB in Diamond Bar on September 24th, 2009, after public testimony raised this issue that staff informed the Board for the first time that the project coordinator and lead author of a supporting document of the truck rule had falsified his credentials. At that time, staff made no mention of the fact they possessed this information prior to the vote on the truck rule.

Last week, November 11th, 2009, I learned that the Chair of CARB was also aware of this information prior to the vote. Thus, neither the staff nor the Board Chair informed the full Board of this discovery prior to the vote. The public, of course, was also not informed.

In a recent personal communication to me from a Board member who knew at the time of the vote that this information was withheld, the Board member stated, "I also
realize it was wrong not to have informed you and other
Board members about this situation before we acted on the
truck rule and at least given you the chance to decide for
yourself whether a delay was needed."

As a Board member of the California Air Resource
Board, I realize the State of California has vested in me
the responsibility to review and vote on regulations that
may have a significant impact on the economy and the
health of the people of California. To execute my duties,
it is imperative that I be informed of all pertinent
matters relating to regulations upon which I will be
voting.

Based on the foregoing facts documenting that key
CARB personnel withheld pertinent information from the
Board and the public, I believe that the legitimacy of the
vote may be in question. The scientific validity of the
report is not the issue, but rather at issue is the
fundamental violation of procedure. Failure to reveal
this information to the Board prior to the vote not only
cast doubt on the legitimacy of the truck rule, but the
legitimacy of CARB itself.

And then addressed to counsel, "As legal counsel
for the Board, in view of your wisdom, experience, and
knowledge, I seek your opinion in this matter. Not taking
action seems unacceptable in light of what appears to be a
violation of procedure with both ethical and perhaps legal implications. How we handle this challenge will reflect on our future credibility of CARB. I believe that CARB needs to seize the initiative and take steps to protect and preserve the integrity of CARB, its Board members, and decision taking process."

ACTING CHAIRPERSON RIORDAN: Thank you, Dr. Telles. I'll just ask that be placed on the agenda, an item.

BOARD MEMBER TELLES: I would like to put into the public record the exhibits which are related to this statement I just read.

ACTING CHAIRPERSON RIORDAN: That will be fine.

EXECUTIVE OFFICER GOLDSTENE: Chairman Riordan, Chairman Nichols and I will work with Dr. Telles on figuring out how best to deal with this.

ACTING CHAIRPERSON RIORDAN: All right. Thank you very much.

BOARD MEMBER ROBERTS: Could I just thank Dr. Telles for doing that.

ACTING CHAIRPERSON RIORDAN: The next item is the public session under public comment. And Mr. John Dunlap, followed by Mr. William Davis, Clayton Miller, and Kit Enger, and then we'll go on from there. Those are the first four speakers.
MR. DUNLAP: Thank you, Madam Chair.

It's a pleasure to be with you today. I know it's been a long day, and we'll try not to lengthen your day by too much.

I'm here representing a new coalition called Californians for Enforcement Reform and Transparency, or CERT. And our aim is to strengthen, not weaken, the Board's enforcement program through specific improvements that will help industry achieve full compliance and help CARB more efficiently and effectively meet its overriding objectives to protect public health and the environment and of course reduce air pollution.

Today, as the Chair mentioned, you'll hear from several representatives of the organizations that belong to CERT. You'll also hear in their comments it is becoming increasingly challenging and apparent that as more time passes without any meaningful action, compliance challenges continue to emerge.

You might recall in July earlier this year we came as a group and asked the Board to consider making some changes, improvements we believe, in transparency and consistency with the program.

As we work through this process, we believe it will preserve and strengthen CARB's integrity and credibility and will also provide some consistent
assurance to the business community that the Board is about not just reaching out to people and educating them as to the often complex regulatory requirements, but are willing to enforce the programs in a consistent transparent fashion.

You have as a hand-out about a document that was provided to the Board's general counsel about a month ago which outlines several specific recommendations. These recommendations echo the sentiments provided at the July 23rd Board meeting.

As I mentioned, the Chairwoman strongly supported -- and I'm quoting her remarks -- "regularizing and formalizing CARB's penalty structures and procedures."

As follow up to that, the Board staff had had an October 12th enforcement workshop which we fully participated in. And what we really wanted to point out is we've been working through this process and been very transparent on our own part, provided a lot of information to your staff. It's been very slow in getting some feedback relative to the process. I know firsthand how busy the Board is and staff, so we understand. We don't expect other things to be completely dropped, et cetera.

But we do have a coalition of 17 or 18 trade groups who spent a lot of time at pulling information together. We've retained experts to provide some feedback on what
the federal program is, how they moved along these lines.

    We really want to raise your awareness and

even encourage your -- direct your staff to move as swiftly as
possible in this regard. A formal penalty policy is what
we seek based on U.S. EPA's well-established policy. We
believe will maximize CARB's limited resources by
distinguishing between serious violations and those that
are mere paperwork-type violations.

    So, Madam Chair, I'll conclude by saying that if
we do this together, having other people at the table --
we know it shouldn't just an industry group -- that we
believe we can strengthen the credibility. And adding the
Board's involvement and direction to your staff will
provide the leadership to move this along quickly.

    ACTING CHAIRPERSON RIORDAN: Let me ask a
question, Mr. Dunlap. Are all of the eight speakers
associated --

    MR. DUNLAP: There will be -- I think we have
four others besides me. And they'll have specific points
to make. It should not be redundant. And they'll have
their own perspective. This is not kind of
one-size-fits-all.

    ACTING CHAIRPERSON RIORDAN: All right.

    William Davis.

    MR. DAVIS: I'm Bill Davis with the Southern
California Contractors Association.

Before I start, I want to thank Dr. Telles for a demonstration of public courage. Really, really appreciate it. And will not go unnoticed.

I had my usually inordinate and littering acute approach to things on this issue and feel almost shamed to do it based on what we saw earlier. Public agencies and organizations such as ours have enormous credibility requirements. And if we lose it, all that we do that's good goes with that. So I hope you guys take this seriously.

The piece that I had written was about the fact that there was a fellow named Roy Bean in west Texas who came known as the law west of the Pacos, but very few people know he came to the Pacos from San Diego by way of San Gabriel. He kept getting run out of town.

He founded his own town in Langtry, Texas named after his favorite singer, Lily Langtry. And he was appointed justice of the peace. Judge Roy Bean was judge, jury, and hangman in Langtry, Texas.

And 127 years later, we find our industry facing something very similar with ARB's Enforcement Division. Judge Roy Bean employed bounty hunters to help find malefactors. And there is a wide-spread perception in our industry and almost all the others that ARB's Enforcement
Division also functions as a bounty hunter.

Judge Roy Bean kept the fine money that he had extracted from the people who appeared before him. And you guys do, too. There's just a lot of similarities.

And so we're asking for some changes. That's what CERT is all about. That's why we have a lot of folks in this industry that are very concerned about the Air Resource's enforcement practices and procedures. We believe, as CERT has suggested, that this Board should adopt the EPA mobile source penalty matrix, which is fair, tough, and not inexpensive, but it's comprehensible. The current question is not.

And we also believe that there should be -- in those few cases where there is a legitimate dispute should be an impartial third body, an administrative hearing board to hear these matters, rather than having the EPA or ARB be the judge and jury and hangman.

There are one or two other areas for improvement and enforcement. And that has to do with the fact that much of it -- you have a very limited staff --

Mr. Davis.

Thank you. If I might just continue --

Well, let me tell you, you've got a number of speakers here on --
MR. DAVIS: Yes. That's fine.

ACTING CHAIRPERSON RIORDAN: I think we need to move on.

MR. DAVIS: Thanks for your attention.

Dr. Telles, thank you.

ACTING CHAIRPERSON RIORDAN: Mr. Miller, followed by Mr. Enger, and followed by Donna Wilson.

MR. MILLER: Good afternoon.

Clayton Miller with the Construction Industry Air Quality Coalition.

The construction industry is quickly moving into -- not too far away from its first offered equipment fleet average compliance date early next year.

Also, portable engines are going to experience the first outright ban of use beginning next year, and also the truck rule. These are all things the construction industry needs to comply with.

And over the last several years, CIAQC has spent a good deal of time and effort to educate our members about what the requirements are. And we'd like to think we've done a great job of that, but there's still many others out there in the industry that I think don't know what is going to be expected of them and also would like to recognize that your staff has done a good job on taking these classes or workshops up and down the state and
reached out to the industry.

But I think that more needs to be done in light of there being over 300,000 licensed contractors in California, recognizing that not all of them have equipment, but a lot of them do. So there's a great need out there.

And this leads really to the first recommendation that CIAQC supports the CERT recommendations mentioned earlier and provided to staff and also the EPA policy that is being examined with that we think is a good approach.

We'd also like to see additional resources made available for continued outreach next year and moving forward for about what the requirements are.

And I guess also would like to say that we think it would be helpful if the outreach wasn't performed by the same group that is responsible for enforcement. Maybe this is something the Ombudsman's office could perform.

It's a little tough for people to voluntarily come forward and say, "I need to learn more. But if you're going to be the person that's going to do this potential enforcement action, I'm going to be a little worried and remain in the dark." So that's one of our recommendation.

And I appreciate the opportunity at this hour to come up and say a few things. Thank you.
idea about Ombudsman's office. When it was first created, it was an outreach to the industry. So that could well be worked in.

Mr. Enger, Wilson, Livingston.

MR. ENGER: Good afternoon, Madam Chair and Board members.

My name is Kit Enger. I'm president of Turnkey Engine Supply, Oceanside, California. I also represent the sand car builders or dune buggy builders of southern California.

So that we together can address the systemic enforcement problems, we need first to appreciate how our small California businesses were and continue to be treated by CARB enforcement staff.

As the leader of California Sand Car Manufacturers, I proactively approached CARB in 2006 as soon as I found out that brand-new emission standards were in the pipeline for our recreational vehicles.

Our industry made substantial investments and worked closely with the certification staff to make sure the vehicles were certified.

Despite our efforts to cooperate, CARB enforcement slapped our industry with a $600,000 penalty without any explanation of how the penalty was calculated or any acknowledgement of our efforts to comply. Our
industry had no idea that CARB was relying on illegal underground regulations that had not been approved by the Office of Administrative Law. Additional information on our OAL petition and on this illegal underground regulation is posted on our certreform.org website.

Our small businesses in the sand car industry have been devastated by CARB's $600,000 penalty. It has contributed to five of our 38 members going out of business, and one of them a suicide, permanently out of business.

During the settlement negotiations, a CARB enforcement officer stated to me two times, "If you guys don't get on with this settlement, it doesn't matter to us if you go out of business, change your name, move to another state, or die, we will find you and attach your assets."

CARB didn't even care about addressing the air quality issues or my offer to recall all those cars and fix them, bring them up to date. They just wanted the money.

Our members have been required to send the substantial penalty and settlement checks to Kerry Albert. He was the lead CARB investigator in our enforcement case. And I wonder, wouldn't it be like a standard accounting procedure to simply send our checks to a CARB fund or an
escrow account?

We hardly agree with Mr. Jim Ridden's recent commitment to informally investigate the use of collected penalty funds. However, Mr. Ridden has offered to hire a retired police officer to conduct the investigation. And our group -- and we expect the public -- looks at this as a potential coverup or some kind of whitewash.

ACTING CHAIRPERSON RIORDAN: You're going to have to conclude.

MR. ENGER: I just want to make one more statement. We respectfully request for CARB to rescind our settlement as it was fraudulently obtained and returned to our members the ill-gotten $600,000 penalty.

ACTING CHAIRPERSON RIORDAN: Mr. Enger, I think that's -- you can make part of the record your statement, your written statement is what I'm trying to say.

Donna Wilson.

MS. WILSON: Good afternoon. My name is Donna Wilson. I'm here today speaking on behalf of the CERT coalition and several of its member organizations.

As the preceding speakers' testimony reflects, businesses large and small throughout the state and across a wide range of industries are seeking to work hand in hand with CARB. Why is that? Because they want to improve a situation that most people, if not all people,
agree is problem ridden. They want to improve the
situation involving compliance and enforcement issues and
programs so that everyone benefits. And I don't anyone
can seriously dispute or disagree with that goal.

And in particular, CERT urges the Board to direct
the Executive Office and its staff to expeditiously
develop a transparent penalty policy which would be based
on EPA's well-established policy that you heard several
speakers discuss or refer to that would accomplish the
following four goals:

First, such a policy would target the actual bad
actors, the ones whose products are injuring the public,
injuring the environment, and that should be taken out of
circulation or avoided being put in circulation in the
first place.

Second, we need a policy that basically creates a
situation where the punishment actually fits the offense.
Because right now, in the view of many, if not all, the
CERT members, that's not the situation. First, the policy
should distinguish between major violations which actually
have an impact on the environment and minor administrative
or paperwork violations that have no impact on the
environment and don't involve any type of avoided
compliance issues.

In addition with dealing with a punishment fits
the offense approach, we need to distinguish between
different grades of culpability looking at whether a party
undertook reasonably prudent precautions or whether in the
case of the sand car manufacturers they proactively
approached CARB in order get into compliance. Those are
the things that should and need to be taken into
consideration.

Third, what we need is a transparent policy that
provides an administrative hearing process as opposed to a
process that requires businesses to go through an
expensive and labor-intensive and resource-intensive
litigation approach. And that's something that would save
your resources and our resources.

And, finally, what we would like to see is a
program or a goal of increasing industry compliance by
promoting adequate lead time and enhancing regulatory
clarity. And you can't achieve that goal if an
organization or agency is relying on underground
regulations. It just can't be done. All the businesses
here, none of them want a free pass. They want to comply.
And that's what we're asking for is clarity. Thank you

ACTING CHAIRPERSON RIORDAN: Thank you.

Tom Julia and Mike Shuemake.

MR. JULIA: Thank you, Ms. Riordan, members of
the Board.
My name is Tom Julia, president of the Composite Panel Association, a North American trade association representing about 95 percent of the production in the U.S., Canada, and Mexico of composite panel products. We are regulated under the recent ARB regulation on formaldehyde and composite wood products. And we're about one year into the implementation on coming back to you, to this Board, to give industry's response to that. I'm particularly interested in the comments I just heard under CERT, because we're one of those industries that is about to face the enforcement part of the regulation as a finished product testing begins to materialize. And we do have some significant interests and concerns about that as well.

I'm here to deliver two messages. One: Your rule is working. It is and was designed as the toughest production standard in the world. It has become the de facto national regulation. I can report today that 100 percent of composite panel manufacturers in the U.S. and Canada and even in Mexico are fully compliant with ARB's regulations. That's a significant achievement in just this year as you move toward Phase 2.

I think, however, we have to look at what's happening off-shore, how quickly off-shore manufacturers
are becoming compliant with the CARB regulation. And this
remains an ongoing concern of the North American industry.
We commend staff for their continued diligence on trying
to ensure that the piece of your regulation that makes it
the toughest production standard in the world continue.

You have put in place something called
third-party certification and testing. It is unique to
this regulation. It basically requires a third party to
ascertain that indeed whether you're making it here in
California or anywhere else in the country or the world it
is meeting the ARB's rule. This is working. This is
working indeed so well that the U.S. EPA is taking a look
at this approach to regulation in what I believe it will
launch next year as a national rulemaking that we hope
will implement the CARB rule nationwide.

I also want to report to you what I consider
great success that in the mid September national
legislation was introduced in the U.S. Senate the
Formaldehyde Standards and Composite Wood Products Act
introduced as bipartisan legislation already with 15
cosponsors. It's going to Senator Boxer's Committee.
The California delegation, we believe, will be largely
supportive of it. We hope universally supportive of it.
It will intend to extend to the nation, the 49 other
states, where the ARB's rule cannot be enforced the
California regulation.

We as an industry group among the most directly impacted stakeholders here are supporting it, along with the Sierra Club, along with the United Steelworkers, along with many other environmental health care industry groups. We believe it's the right thing to do.

We believe it's important that your staff continue to work hand in hand with the staff of the U.S. EPA to ensure that what happens at the federal level is indeed mimicking what happens here in California and that these do not get out of sync.

I would finally just say on the issue that members of the CERT group just raised here, we do have interests and concerns as well about how this regulation will be enforced in California. Most particularly the concept of strict liability. Thank you.

ACTING CHAIRPERSON RIORDAN: Well, I'll tell you it's nice to hear some positive testimony. And I had coupled you with CERT, because I didn't realize you were separate. But that was a nice way to end the day. But I need to go on to -- and let me say, I hope the staff is working with the federal people. And I see affirmative. So we will try to continue our effort there.

Mike Shuemake.

MR. SHUEMAKE: I wish he had gone last instead of
me, but if you wanted to end on a positive note.

ACTING CHAIRPERSON RIORDAN: I do. Can you turn
it around and make it a positive?

MR. SHUEMAKE: I'm trying to figure that out
right now.

Madam Chair, thank you for letting me speak this
afternoon.

I'm not here to talk about the TRU issue. So
rest easy now. But I'm here to talk about the heavy-duty
greenhouse gas measure that does effect the trailer
industry, and it's set to go into effect starting January
1.

You guys voted on it last December 12th in
conjunction with the private fleet rule. And it effects
trailers by requiring that all model year 2011 -- and
because the trailer industry is so goofy, we start
building 2011 trailers January 1st, 2010. We want to get
a head start on it.

The problem is that the rule doesn't actually get
approved by the OAL I believe until -- they have until
December 9th to actually formalize the rule. We've been
taking orders for 2011 trailers now for about the last two
or three months. We're out into mid first-quarter
production.

There's actually one manufacturer -- a California
manufacturer of trailers that is going to be manufacturing
a 2010 model trailer and a 2011 model trailer basically
just to circumvent this rule.
So I'm asking for you guys to maybe think about
tweaking the rule just a little bit and making it go into
effect with trailers sold in California January 1, 2011.
And then there's some fleet averaging that has to being
take please. But you know, just if you can tweak it some,
it could certainly take out -- right now, Great Dane
trailer manufacturers who I sell for will be trying to
produce trailers on January 1st that are 2011, not really
knowing what the final rules says. What do we have to put
on as far as skirts? What do we have to put on as far as
tires?
It would just give the industry a lot more
flexibility and ease into the rule along with the people
that are actually having to buy the trailers.
Anyway, if you could help, we'd appreciate it.
ACTING CHAIRPERSON RIORDAN: I appreciate your
being here and your comments.
MR. SHUEMAKE: Trying to make it positive.
ACTING CHAIRPERSON RIORDAN: Thank you. You did.
What I'd like to do, because I didn't know where
CERT began and ended, and so I just let the testimony run.
Let's deal with the last speaker first and then CERT
thereafter.

MS. LIVINGSTON: Excuse me. You read my name but passed it by. Carol Livingston.

ACTING CHAIRPERSON RIORDAN: Forgive me.

MS. LIVINGSTON: Excuse me for interrupting. I just didn't want to get passed over.

ACTING CHAIRPERSON RIORDAN: No. And you might have. And I appreciate. Please begin, and then I'll conclude.

MS. LIVINGSTON: Thank you.

An announcement of CARB's testing data for the electromagnetic interference due to automotive reflective glazing was posted today on the website. This testing was done after the fact, after the Board adopted its standard for glazing in the cool car regulations.

The staff summary indicates there are no effects from reflective glazing and thus the cool car regulation and monitoring, ankle bracelets, cell phones, and an urban environment and that the effect on GPS navigation units was observed but they were completely eliminated by placing the device or external antenna in the window.

Staff summary is not supported by its own data.

Garmin has worked with staff since June when it discovered these regulations basically after the fact to give it our testing data and to work with it, trying to let staff know
what we know and what we have further found out about the
effective reflective glazing.

I want to read a few excerpts from a letter that
I will leave for the Board. But we told staff that we had
concerns that their tests were not illustrative of the
effects of glazing in urban canyons, nor in the rural
areas, that their test routes they choose had the best
conditions possible. It was urban enough to have
increased power from cell towers, but that no more than
1/18 of the route had high-rise buildings. So staff made
conclusions about the GPS systems working with reflective
glazing without having any high-rise buildings on the dry
route.

Further, assumptions on the ankle bracelets were
faulty. In summery, on the ankle bracelets, the results
slide clearly showed a percentage of the trip where the
satellite signal was attenuated was not usable by the GPS
and increased by a factor of two to three times in
vehicles with reflective glazing.

On GPS -- and Garmin has done testing for
ten years, because it's worked in Europe. It's worked in
Asia. Its device are out in the world. We know GPS
devices do not work with metal reflective glazing and the
deletion window doesn't really solve the problem.

Less than ten percent of the route driven during
the test -- during staff's test was in an urban canyon.
And we can assume that the vast majority of the location
areas occurred in the mile stretch.
And we posit that if it had been correctly
summarized, 47 percent of the GPS as opposition in the
deletion 47 percent error when the GPS is not right in the
center of the deletion window and 27 percent when it is.
I will turn in the letter, but I would like the
Board to know what the industry's experience is on the
testing. And I appreciate very much the time.
And I, too, appreciate Dr. Telles' brave
statement today.

ACTING CHAIRPERSON RIORDAN: Thank you. And if
you would turn in your letter. And then I'll ask staff to
deal with issues that are raised. And whatever your
response is, please let the Board know what that response
is, because there's probably going to be an analysis.
Let me ask -- let's go back to Great Dane
trailers. And let me ask the staff what you might
suggest. Could somebody meet with this individual?

EXECUTIVE OFFICER GOLDSTENE: We'll meet with him
and find out exactly what's happening in his business

ACTING CHAIRPERSON RIORDAN: All right. Good.
Second issue before us is the issues that are
raised by CERT, not that I want you to discuss all these
issues. But I think there must be something that we can
do to facilitate a dialogue. And then at some point in
time, obviously the Board is going to have to know where
the dialogue is leading.

CHIEF COUNSEL PETER: I absolutely agree.

Let me tell you one thing that was left out of
the comments from the CERT is yesterday we had an hour and
I think 17 minute meeting with them on conference call
including with their expert witness, former U.S. EPA. So
that piece of information wasn't presented.

What we have done is as we laid out at the
September Board meeting, we had a process going forward.
So we had the workshop that Mr. Dunlap referred to. We've
been meeting with a variety of people, people with CERT.
And as I said, we've met with them several times,
including yesterday.

We have met with a number of other industry
groups who have approached us either as trade groups or as
individuals. We have talked with U.S. EPA staff on
various occasions working through these issues.

And I brought in a couple of people from the
attorney general's office that do enforcement cases to
kind of evaluate some of these ideas.

And some of them are great. We are working
through them and evaluating all of them. People keep
coming in and saying I have something more I want to
suggest. So we're walking through that process, including
next month there's a group from southern California coming
up. So we're trying not to cut off the dialogue. We're
analyzing it as we're going along.

My plan was to basically have a report kind of
summarizing the ideas and kind of looking at where we're
going to go forward. At the January Board meeting was my
tentative thinking, just because of the comments that are
coming in.

In terms of the penalty policy, that's got some
pluses. It's got some minuses. And, in fact, U.S. EPA
said we are not exactly sure it would work for you. It's
not an easy question.

And also we are looking at a whole bunch of
different industries. So each of these -- if you look at
fuels, that's a particular thing, et cetera. So we're
working on it.

ACTING CHAIRPERSON RIORDAN: And I think a
progress report in January would be perfect.

CHIEF COUNSEL PETER: We'll do that for sure.

We'll put that on the agenda.

ACTING CHAIRPERSON RIORDAN: Yes, Dr. Telles.

BOARD MEMBER TELLES: The testimony by Kit Enger
mentioned he's concerned about underground illegal
reports. Does staff have any idea what he's talking about?

CHIEF COUNSEL PETER: Yes, we do. He had filed -- there's two allegations of underground regulations. And these are basically a legal claim where the regulation isn't valid, that the agency's doing this. It's not just -- it's a typical across State government kind of a claim. State agencies can't be doing something without going through the regulatory process.

They filed a petition with the Office of Administrative Law, which has not been acted on. They have not asked for response from us.

We reviewed it. We disagree.

And, you know, he obviously feels very strongly about this. But this was entered into in a settlement. So being a litigator, I've seen buyer's remorse.

So there is a process that's in place with the Office of Administrative Law. They're going to act on it.

We reviewed it and we don't believe that that claim actually vitiates the settlement.

ACTING CHAIRPERSON RIORDAN: They would be a third-party reviewer, the Office of Administrative Law?

CHIEF COUNSEL PETER: Right. They did file a petition. They have a right under the Government Code to do that. They did that. And as far as I know, there
hasn't been any reaction from that office, and that office has not asked us for a written submission, which we would if they did.

ACTING CHAIRPERSON RIORDAN: Very good. All right.

Board members -- yes.

BOARD MEMBER D'ADAMO: I would just like to say I appreciate the witnesses taking advantage of the public comment period.

We did recently receive an update from the Enforcement Division, and what we're hearing today from some of you is not consistent with I think the policy. And I know staff will be looking into it, but I just did want to thank the witnesses.

ACTING CHAIRPERSON RIORDAN: With that, Board members, I'm going to adjourn the meeting and say happy Thanksgiving to everybody.

(Thereupon the California Air Resources Board adjourned at 4:11 p.m.)
CERTIFICATE OF REPORTER

I, TIFFANY C. KRAFT, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing hearing was reported in shorthand by me, Tiffany C. Kraft, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of December, 2009.

TIFFANY C. KRAFT, CSR, RPR
Certified Shorthand Reporter
License No. 12277