OCTA

OCCOG

September 2, 2010

The Honorable Mary Nichols
California Air Resources Board
1001 I Street
Sacramento, California 95814

Subject: Proposed SB 375 Regional Greenhouse Gas Emission Reduction Target Recommendations

Dear Chairman Nichols:

The Orange County Transportation Authority (OCTA) and Orange County Council of Governments (OCCOG) appreciates the opportunity to comment on the California Air Resources Board's (ARB) staff proposed "Regional Greenhouse Gas (GHG) Emission Reduction Targets for Automobiles and Light Trucks Pursuant to SB 375 (Chapter 728, Statutes of 2008)". Orange County is one of two subregions in the Southern California Association of Governments (SCAG) region who have accepted the delegation authority given in SB 375 to conduct a subregional sustainable communities strategy (SCS). With the final subregional SCS due to SCAG in April 2011, OCTA and OCCOG both have a vested interest in ensuring that the targets proposed for SB 375 are demonstrably achievable in order to meet quickly approaching deadlines.

Foremost, we would like to commend the ARB staff for their effort over the past year to conduct outreach across the state on this complex initiative and their efforts to create a proposal which seeks to integrate the comments from a number of competing viewpoints, while at the same time attempting to address the current state and local economic constraints. However, OCTA and OCCOG would like to encourage the ARB to exercise caution in evaluating the proposed targets, ensuring that the targets are both ambitious and achievable, as recommended by the Regional Targets Advisory Committee (RTAC). Any increased targets beyond what is currently recommended could create a situation where implementation would become infeasible, thereby putting transportation projects and plans at risk, and statewide and federal air quality goals in jeopardy.

The current target recommendations for SCAG are an eight percent per capita reduction in GHG emissions by 2020 and a 13 percent per capita reduction by 2035. Although the 2020 target is in line with previous recommendations by SCAG, the 13 percent per capita reduction by 2035 greatly exceeds SCAG's

previous recommendation of a five to six percent reduction. The currently proposed target of 13 percent would lead to a reduction of about two million metric tons carbon dioxide equivalent (MMTCO2E) in the SCAG region in 2020 and a 7.3 MMTCO2E reduction in 2035. This represents almost two-thirds of the total projected reductions the state will achieve in 2020, and almost half of the statewide reductions in 2035. This means that SCAG will be responsible for a majority of the overall emission reductions, at the same time that some regions will experience actual emission increases. ARB must therefore be mindful in adopting the targets that although SCAG may have a lower percentage per capita target than other regions, in overall emission reduction terms, SCAG far surpasses any other region.

Furthermore, the severe fiscal constraint the State is currently experiencing has created unprecedented financial hardships for local governments, critically impacting local transportation services and the planning abilities of cities and counties. For instance, due to the ongoing state diversions of transit funding, since December 2008, OCTA has eliminated almost 400,000 in revenue vehicle hours (RVH) of transit service, and been forced to increase fares. These actions have severely impeded access to transit service across the county. In order to implement SB 375 as envisioned by the ARB staff proposed targets, additional state transit funding for capital and operations is an absolute necessity. If such funding is not available, local governments will be hard pressed to take advantage of opportunities to plan around consistent transit service. In addition, without affordable multi-modal options available, light duty vehicles and trucks will remain the transportation mode of choice, contrary to the goals of SB 375. OCTA and OCCOG therefore recommend that in adopting the targets, the ARB specifically caveat the achievement on the state providing appropriate levels of transit funding in order to achieve the increased transit mandates by SB 375. Currently, OCTA projects in its current revenue forecast that a 12 percent increase in transit service in Orange County is possible by 2035. However, in order to meet the proposed targets for the SCAG region, OCTA's transit service would need to increase by 92 percent. Funding to accomplish this objective is key to successful implementation.

In addition, although SB 375 does not place specific mandates on local cities and counties, many additional local planning duties can be inferred from the law's requirements. In order to take advantage of the California Environmental Quality Act (CEQA) incentives, local governments must have the zoning and general plan amendments in place to allow for appropriate development around transit stations or otherwise consistent with the adopted SCS. Without the

funding for the applicable general plan and zoning changes, a disincentive will exist to create such planning changes, thereby decreasing a region's ability to meet the goals of SB 375. At this point, only a small amount of Proposition 84 funds are available to cities and counties for these objectives. Intense competition for such funding currently exists, demonstrating the need for future sources. Furthermore, with continued diversions of state municipal funds, including those related to redevelopment, the ability to build affordable housing and transit oriented development is greatly inhibited. Therefore, OCTA and OCCOG encourages the ARB to specifically recommend in adopting the targets, that the state provide appropriate levels of funding for local governments, and also seek other funding sources to allow local cities and counties to meet the goals of SB 375.

The targets for the SCAG region are also dependent on an increase in driving costs. However, the means for such increase is unknown. Without the specific assumptions available, speculation exists as to whether this could mean a vehicle miles traveled (VMT) tax or fee, additional use of congestion pricing, an increased gas tax, or other pricing mechanisms. There is no existing authority for the region to implement most of these measures. In addition, in the current economic and political climate, such increased driving costs are not feasible. Therefore, ARB should adopt the targets with awareness that some of the assumptions behind these scenarios may be politically or economically infeasible.

Overall, as implementation of SB 375 continues, greater efforts must be made to create a transparent process whereby all assumptions behind the target setting efforts are publically available. Without specific data, it is difficult for the public to gage what targets are ambitious and achievable, and the specific costs involved for various stakeholders. Without this information, acceptance of SB 375 by stakeholders and the public will be difficult to obtain. In addition, OCTA and OCCOG would like to recommend that the ARB conduct an overall economic analysis of the impacts these targets to allow for sufficient public discourse of the impacts of such implementation.

Lastly, the ARB must continue to explore many of the recommendations by the RTAC. Specifically, the RTAC recommended additional incentives be created to allow local governments to meet and surpass the targets. Beyond funding, additional incentives could include broader CEQA streamlining authority, particularly for transportation projects consistent with a SCS which was

specifically outlined in the Governor's signing message for SB 375 as a goal for future clean-up legislation.

OCTA and OCCOG look forward to continuing to collaborate with all stakeholders involved in the SB 375 implementation process to promote a framework that allows for flexibility across regions and recognition of the economic downturn being experienced statewide. If you have any questions, please contact Will Kempton, Chief Executive Officer of OCTA, at (714) 560-5584, or Kris Murray, Executive Director of OCCOG, at (714) 560-5908.

Sincerely,

Jerry Amante
Chairman, OCTA

Mark Waldman,
Chairman, OCCOG

JA/MW:ke

c: California Air Resources Board of Directors
OCTA Board of Directors
OCCOG Board of Directors
Orange County State Legislative Delegation
Sloat Higgins Jensen & Associates
Will Kempton, Chief Executive Officer, OCTA