

March 8, 2013

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

RE: ARB 2013 Investment Plan for Cap-and-Trade Auction Proceeds

Dear Chair Nichols

The Solano Transportation Authority submits its comments for how Cap-and-Trade auction proceeds can support the greenhouse gas (GHG) reductions goals of AB 32.

Auction revenues derived from vehicle fuels should be used to fund transportation system needs in a way that achieves AB 32 objectives and builds on the framework of SB 375 and other GHG reduction strategies. We believe that by integrating investments in new mobility, new infrastructure, and new jobs we can create healthy communities and better quality of life for all – while measurably reducing greenhouse gas emissions consistent with AB 32 and legal requirements for spending allocation revenues.

By targeting revenues and incentives toward local governments in support of regional planning goals we can leverage a cost effective investment portfolio across both transportation infrastructure and efficiency measures, land use incentives, and improved transportation options to yield the greatest GHG reductions associated with the transportation sector. Allocating funding to promote combining strategies will maximize GHG reduction while reinforcing SB 375, regional blueprints, other regional plans and local innovation.

We want to see ARB and the Administration craft an effective strategy to achieve maximum GHG reductions and long term co-benefits under AB 32 by investing a major portion of revenues related to fuels in integrated transportation and land use strategies consistent with the SB 375, the California Regional Blueprint plans and other regional planning processes. The AB 32 Scoping Plan states that almost 40% of the State's GHG emissions come from the transportation sector; therefore at least 40% of available Cap-and-Trade revenue should be made available to transportation and transit.

As a starting point, we want to suggest a few concepts for consideration in the development of an investment strategy:

1. Auction revenue from fuels should implement the AB 32 regulatory program to reduce GHG emissions from transportation.
2. Favor cost-effective and integrated transportation and land use strategies.

STA Letter to Mary Nichols, Chair, California Air Resources Board dated: March 8, 2013
RE: ARB 2013 Investment Plan for Cap-and-Trade Auction Proceeds

3. Project funding determinations should return to their source and be done primarily at the local level in support of regional planning goals – subject to the legal constraints of the revenue – and consistent with the Sustainable Communities Strategy
4. Allow flexibility at the regional and local level to develop most cost effective projects
5. Assist local governments in meeting regional GHG reduction goals
6. Promote innovation, collaboration, economic development and rural sustainability

We hope ARB will take advantage of this opportunity to make AB 32 a key component of California's transportation investment program.

Sincerely,



Daryl K. Halls
Executive Director

cc: ARB Board of Directors
STA Board Members