MEETING

STATE OF CALIFORNIA

AIR RESOURCES BOARD

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SACRAMENTO, CALIFORNIA

THURSDAY, APRIL 25, 2019

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Mr. Scott Bacon, Air Resources Supervisor, Engineering and Regulation Development Section, Monitoring and Lab Division(MLD)

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Ms. Katie Estabrook, International Relations, Chair's Office(CO)

Ms. Jessica Gordon, Senior Attorney, Legal Office

Mr. Michael Guzzeta, Branch Chief, Citations

Ms. Abigail May, Attorney, Legal Office

Mr. Michael Miguel, Assistant Division Chief, MLD

Mr. Scott Monday, Staff Air Pollution Specialist, Engineering and Regulation Development Section, MLD

Ms. Lauren Sanchez, International Policy Director, CO

Mr. Todd Sax, Division Chief, ED

ALSO PRESENT:

Mr. Eric Barnes, Motorcycle Industry Council

Mr. Will Barrett, American Lung Association

Ms. Sam Bayless, California Fuels and Convenience Alliance

Dr. Rasto Brezny, Manufacturers of Emission Controls Association

Mr. Shane Buck

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Ms. Molly Culton, Sierra Club

Ms. Amy Granat, California Off-Road Vehicle Association

Mr. Nicholas Haris, American Motorcyclist Association

Mr. Bill Magavern, Coalition for Clean Air

Mr. Abraham Moreno

Mr. Graham Noyes, Low Carbon Fuels Coalition

Mr. John Paliwoda, California Motorcycle Dealers Association

Mr. Ed Santin, American Motorcyclist Association, District 36

Mr. Martin Stiaszny

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P R O C E E D I N G S

CHAIR NICHOLS: Good morning, ladies and gentlemen. Perhaps because we have a short agenda today, it's harder for us to get started in the morning. But everybody is in an excellent mood, so that's a great way to start.

Good morning, everybody. This is the April 25th, 2019 public meeting of the California Air Resources Board. And let's begin with the Pledge of Allegiance.

Please rise.

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

CHAIR NICHOLS: So the mandatory announcements before we get started, but let's do the roll call first. So Madam Clerk, please call the roll.

BOARD CLERK DAVIS: Mr. De La Torre?

Mr. Eisenhut?

BOARD MEMBER EISENHUT: Here.

BOARD CLERK DAVIS: Supervisor Fletcher?

BOARD MEMBER FLETCHER: Here.

BOARD CLERK DAVIS: Senator Florez?

Supervisor Gioia?

BOARD MEMBER GIOIA: Here.

BOARD CLERK DAVIS: Ms. Mitchell?

BOARD MEMBER MITCHELL: Here.

BOARD CLERK DAVIS: Mrs. Riordan?
BOARD MEMBER RIORDAN: Here.
BOARD CLERK DAVIS: Supervisor Serna?
BOARD MEMBER SERNA: Here.
BOARD CLERK DAVIS: Dr. Sherriffs?
BOARD MEMBER SHERRIFFS: Here.
BOARD CLERK DAVIS: Professor Sperling?
BOARD MEMBER SPERLING: Here.
BOARD CLERK DAVIS: Vice Chair Berg?
VICE CHAIR BERG: Here.
BOARD CLERK DAVIS: Chair Nichols?
CHAIR NICHOLS: Here.
BOARD CLERK DAVIS: Madam Chair, we have a quorum.
CHAIR NICHOLS: Thank you. We -- just to remind everybody, there are exits at the rear of the room and on either side of the podium. In the event a fire alarm, we're required to evacuate the room immediately and go down the stairs, not using the elevator, and go out of the building until we get the all-clear signal. I'm also bound to remind anybody who isn't familiar with our practices that we have a three-minute time limit for speakers. And we appreciate it if people, when they come to the podium, will speak without reading their written comments, because we will put the written points into the

record and read them anyway.

And I think that's it as far as preliminary announcements. We don't have a translator this morning for any purpose. Nobody requested a translation. Okay. So lets get started then with the first item, which is amendments to the red sticker program for off-highway recreational vehicles.

This item is a proposal to control emissions from the red sticker off-highway vehicles, which are recreational vehicles. That's a special program that we've had in California. We need to get more reductions of smog-forming emissions, including reactive organic gases and oxides of nitrogen in order to attain the ambient air quality standards for ozone. These vehicles include -- the red sticker vehicles include off-road motorcycles, and all-terrain vehicles that are currently an uncontrolled source of smog-forming emissions. The proposal that is being considered today is intended to change that situation and to reduce their emissions in order to help reduce ozone at levels throughout California.

Mr. Corey, would you please introduce this item?

EXECUTIVE OFFICER COREY: Yes. Thanks, Chair Nichols.

Mobile sources have historically been the largest

emissions source for reactive organic gases and oxides of nitrogen in California. With the success of our control programs for on-road vehicles, the emissions contribution from uncontrolled off-road red sticker recreational vehicles has become progressively more important.

Reducing emissions of reactive organic gases, as well oxides of nitrogen from off-road vehicles is a key component of our statewide strategy to attain compliance with health-based air quality standards.

Today, staff will present a regulatory proposal for reducing emissions from new off-highway recreational vehicles sold in California and implementing a strategy to subset the red sticker program. By adopting the proven control technology from on-road vehicles and sunsetting the red sticker program, these amendments are expected to reduce reactive organic gas and oxides of nitrogen emissions from new and off-highway recreational vehicles.

I'll now ask Scott Monday of the Monitoring and Laboratory Division to give the staff presentation.

Scott.

(Thereupon an overhead presentation was presented as follows.)

STAFF AIR POLLUTION SPECIALIST MONDAY: Thank you, Mr. Corey. Good morning, Chair Nichols and members of the Board.

Today, I will be presenting proposed amendments to the red sticker program for off-highway recreational vehicles, or OHRVs for short. The OHRV red sticker program was created as a temporary measure to allow for the development of cleaner technology. Now, more than 20 years later, cleaner technology has developed, but the program still persists. By providing pathway for CARB certification of uncontrolled vehicles, this program inadvertently offers manufacturers a way to avoid compliance with recently adopted evaporative standards.

We saw more manufacturers taking advantage of this option in 2018, and we are concerned this trend will continue.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Today, we will show you why the Red Sticker Program is no longer working and outline the proposed amendments that would end the program with minimal impact to stakeholders by harmonizing with federal standards for five years, followed by new California-specific emission requirements beginning in 2027.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Let's start with some background on the recreational vehicle category, which includes a wide variety of vehicles for

competition, recreation, and utility use. The types of OHRV include all-terrain vehicles, or ATVs, off-highway motorcycles, or OHMCs, and specialty vehicles, such as off-road utility vehicles, sand cars, side-by-sides, and snowmobiles.

Today, there are about a million OHRVs registered in the state, of which approximately 20 percent are red sticker vehicles. Most red sticker vehicles are OHMCs or dirt bikes, and annual sales are about 5,000 per year.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Emissions from OHRV into two Categories: Exhaust or tailpipe emissions, which result from burning fuel during vehicle operations; and evaporative emissions, which come from the gasoline in the vehicle's fuel tank and fuel lines and occur primarily when the vehicle is stored.

Evaporative emissions are significant, because most OHRVs are only used about 12 to 15 days per year with extended storage periods between usages.

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STAFF AIR POLLUTION SPECIALIST MONDAY: In 1994, the Board adopted the first exhaust standards for OHRVs to be implemented four years later. However, due to a lack of certified models available, CARB worked with stakeholders to develop the red sticker program, which the

Board created in 1998.

In 2006, U.S. EPA adopted the first federal standards to control OHRV exhaust and evaporative emissions. These also defined criteria for competition vehicles with no emission controls that can be used solely on closed courses and competitive events.

In 2013, CARB adopted stringent evaporative standard for OHRVs. Red sticker vehicles are not subject to the new evaporative rule. But during that 2013 hearing, the Board asked staff to evaluate the program and see if additional reductions could be achieved. From 2014 through 2017, staff conducted a comprehensive assessment of the program. Staff presented the findings to the Board and it was concluded that the red sticker program should end.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Red and green sticker vehicles are both certified by CARB by there are several key differences:

Green sticker vehicles are subject to exhaust and evaporative emission standards. The can be operated year-round without restrictions, and all OHRV types can be certified as a green sticker.

Red sticker vehicles are exempt from emission standards, but they are subject to seasonal riding

restrictions during the summertime months. Riding restrictions are defined in CARB regulations and enforced by land managers, such as State Parks and Bureau of Land Management. Only OHMCs and ATVs can receive a red sticker.

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STAFF AIR POLLUTION SPECIALIST MONDAY: The primary goal -- the primary goal of the red sticker program was to allow more time for manufacturers to develop a full range of compliant vehicles. To control emissions while cleaner technologies were being developed, the program prohibits the use of red sticker vehicles in ozone nonattainment areas during the summer.

By virtue of its design, the program allows access to competition-level OHRV that can be ridden on public lands, so racers can train and practice for competitive events.

From 2013 to 2017, staff conducted a comprehensive assessment to see how effective the program was in meeting its goals. The assessment included an in-depth evaluation of population and market trends, an owner survey, and emissions testing. We will review the assessment's most significant findings in the next few slides.

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STAFF AIR POLLUTION SPECIALIST MONDAY: First, and most significantly, staff's assessment found that the industry has successfully developed cleaner technologies capable of meeting emissions standards. In 1998, when the red sticker program was created, the top 5 OHMC manufacturers only had 6 engine families certified to meet the exhaust standard.

Twenty years later, the top 5 manufacturers certified over 3 times as many models, including a variety of youth models. The range of emission-compliant models has improved, but certain types of high performance motorcycles are still not available in certified configurations. So how can we ensure that a wide range of vehicles will be available if the red sticker program is eliminated?

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STAFF AIR POLLUTION SPECIALIST MONDAY: To answer that question, we must consider the shift in engine technology that has occurred since the red sticker program was created.

In 1998, nearly 90 percent of all red sticker OHMCs used 2-stroke engines that burned oil and scavenge burned -- unburned fuel into the exhaust, often taking the form of a visible smoke plume, as seen in the top picture. In fact, some of these bikes are so dirty that they

contaminated our test equipment with a thick oily residue as seen in the lower picture.

The good news is that the industry has made great progress in developing cleaner high performance 4-stroke engines. As shown on the graph, more than 50 percent of red sticker engines certified in 2017 were lower emitting 4-strokes.

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STAFF AIR POLLUTION SPECIALIST MONDAY: In contrast to traditional 2-stroke engines, our test data indicates that current red sticker 4-stroke motorcycles have relatively low emissions. On average, these vehicles meet the current U.S. EPA exhaust standard of 2 grams per kilometer. And some even meet the more stringent California green sticker standard of 1.2 grams per kilometer. This data indicates that existing 4-stroke red sticker models could be certified as emission compliant if CARB aligns with federal standards with minimal or no modifications.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Staff evaluated how effective seasonal riding restrictions are in reducing emissions. A survey of nearly 3,000 riders was conducted by UC Davis, and survey questions were developed with extensive input from riders and

manufacturers.

The survey indicated that red sticker vehicles continue to be operated in ozone non-attainment areas during the summer, largely on private tracks and lands. Rather than control exhaust emissions during summertime, the program seems to be pushing riders from restricted public lands onto private lands where there are no restrictions.

The program also does nothing to control evaporative emissions that occur while the vehicle is stored. Approximately 90 percent of red sticker vehicles are stored in ozone non-attainment areas.

Overall, the red sticker program seasonal riding restrictions have not been effective in reducing summertime emissions in ozone non-attainment areas.

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STAFF AIR POLLUTION SPECIALIST MONDAY: The red sticker program allows racers to purchase emissions-noncompliant vehicles and access public lands when, in the absence of the program, those vehicles could only be lawfully used solely for competition. Some riders are using the red sticker vehicles to train and practice for race events, while most are using them for recreational purposes. Our OHMC owner survey indicates that nearly 90 percent of all red sticker vehicle riding

is recreational, and 74 percent of red sticker owners never race at all.

Why are we concerned that red sticker vehicles are used recreationally. The U.S. EPA adopted regulations for OHRVs in 2006 that provide an exemption from emission; standards from models that are to be used solely for competition and cannot be used recreationally.

The chart on the right that shows that nearly 90 percent of all models certified as red sticker by CARB since 2009 were granted a competition exemption by U.S. EPA.

Therefore, there are red sticker models being used recreationally in California public lands for non-competition purposes, which is inconsistent with the U.S. EPA rules that apply to those models.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Red sticker vehicles contribute a significant portion of overall OHRV emissions. The red area represents red sticker vehicles, while the green area represents all other OHRV that meet emission standards.

In 2019, red sticker vehicles were just 17 percent of the OHRV population, but contributed about 40 percent of the emissions.

Looking ahead to 2040, if no action is taken, red

sticker vehicles are expected to contribute about 70 percent of total OHRV emissions. This analysis is based on historical trends and does not account for the recent increase in red sticker certifications.

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STAFF AIR POLLUTION SPECIALIST MONDAY: The red sticker program was intended to be temporary, and CARB expected it to go away when an adequate range of green sticker models became available. Cleaner technologies have developed as anticipated, but the program is still in place. It does not provide the expected emission benefits, is not consistent with federal regulations, and makes it nearly impossible to achieve meaningful reductions in OHRV emissions.

Therefore, staff has developed a set of proposed amendments to sunset the red sticker program. In the following slides, we will describe the proposed amendments.

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STAFF AIR POLLUTION SPECIALIST MONDAY: The first step of the proposal is to temporarily harmonize with the U.S. EPA emission standards for OHMCs in 2020, allowing manufacturers to certify more models as emission compliant in California.

The second step is to end new red sticker sales

starting with the 2022 model year. Except for racing, this stops sales of the dirtiest vehicles and eliminates the current inconsistency between California's and U.S. EPA rules. The proposal would harmonize with EPA OHMC evaporative and exhaust standards for 5 years. California's dealers and riders will have access to the same range of vehicles as their counterparts in the other 49 states during this crucial transition period.

The third step of the proposal is to lift seasonal riding restrictions on existing red sticker vehicles starting in 2025. At that point, all existing red sticker vehicles will have year-round access to public riding. The proposal includes more stringent California specific evaporative and exhaust standards for OHMCs beginning in 2027.

Based on extensive collaboration and input from industry, we are confident these steps are achievable at a minimal cost with existing technology and will not impact model availability at dealerships.

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STAFF AIR POLLUTION SPECIALIST MONDAY: The proposal includes alternative certification pathways to reduce compliance costs. Manufacturers can use systems certified for on-road motorcycles to control evaporative emissions, which reduces development and testing costs.

Manufacturers can also certify their evaporative systems using a design-based component approach, which is generally less expensive than what is currently required.

Design-based certification includes individual standards and test procedures for low-permeation fuel tanks, low permeation fuel hoses, and carbon canisters.

The proposal also allows the use of a low cost fuel shut-off valve to control evaporative emissions during storage. This was suggested by industry, and CARB testing confirmed this approach effectively reduces emissions.

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STAFF AIR POLLUTION SPECIALIST MONDAY:

Additional flexibilities include enhanced fleet averaging provisions, increased value of zero-emission credits, and separate evaporative standards for youth models. Together, these provisions will help smooth the transition away from the existing red sticker program while achieving needed emission reductions and ensuring that smaller bikes continue to be available for young riders.

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STAFF AIR POLLUTION SPECIALIST MONDAY: By harmonizing with the U.S. EPA standards and providing additional flexibility, the proposal establishes an easy

low-cost pathway for manufacturers to certify their current 4-stroke red sticker models as emission-compliant.

If the top 5 manufacturers certify their current 4-stroke red sticker models, there would be nearly 10 times more emissions-compliant models available than when the red sticker program was created. The range of certified models should meet the needs of riders and dealers.

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STAFF AIR POLLUTION SPECIALIST MONDAY: To help offset the relaxed standards for OHMCs, manufacturers suggested that the proposal include more stringent exhaust standards for ATVs, UTVs, and side-by-sides. Applying tighter standards to these vehicles makes sense, because they are physically larger, heavier, and higher priced compared to motorcycles, making them more able to accommodate additional emission controls.

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STAFF AIR POLLUTION SPECIALIST MONDAY: The proposal will provide significant emission reductions.

The green line on the graph represents the current emissions inventory if no regulatory amendments are made. You'll notice that it trends slightly downward from now through 2030. This is due to 2013 evaporative requirements that only apply to green sticker vehicles.

The downward trend is eventually offset by an anticipated overall growth in OHRV population.

The yellow line represents the reductions that would be achieved by the proposal. Emissions would decrease starting in 2022 as sales of the dirtiest vehicles ends. You'll also notice a slight bump in 2025, which is due to the end of seasonal riding restrictions for existing red sticker vehicles. From that point onward, the line continues to trend down as older high-emitting vehicles reach the end of their useful life and are replaced with cleaner new vehicles.

The proposal is expected to reduce overall OHRV emissions by 30 percent in 2030, and by 50 percent, or 6 tons per day, by 2040.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Staff calculated the cost effectiveness of the proposal to be about $1 per pound of ROG and NOx reduced. Based on an industry-wide cost survey, staff estimates that adding emission controls to a 4-stroke red sicker model so that it meets the 2022 standards would increase the retail cost of that model by about $300. This represents a cost increase of about 4 percent of the total cost of an average OHMC.

The proposal will not affect current green

sticker models that already meet emission standards and will not retroactively affect any existing OHRV.

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STAFF AIR POLLUTION SPECIALIST MONDAY: During our rule development workshops and public outreach, there has been some confusion about how the proposal will impact stakeholders. I'd like to take a moment to clarify a few key points.

The proposal will increase the number of green sticker models available in dealerships starting in 2020. It will harmonize with U.S. EPA OHMC standards beginning in 2020, ensuring that California riders and dealers will enjoy the same selection of vehicles as in the other 49 states. It will end certification of new red sticker vehicles in 2022, meaning all vehicles from 2022 onward will be either certified as emissions compliant or exempt for competition use only. It will end seasonal riding restrictions in 2025, providing year-round access for all existing red sticker vehicles. And finally, it will impose more stringent California-specific emissions standards starting in 2027, which will provide additional air quality benefits in subsequent years.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Now, let's talk about what this proposal will not do. The

proposal will not negatively affect any existing red sticker vehicles. In fact, existing red sticker vehicles will have greater riding opportunities as seasonal riding restrictions are removed in 2025. It will not prohibit the sales of vehicles with no emission controls. These vehicles will continue to be available as racing vehicles.

The proposal will not eliminate youth models. The proposal was designed to ensure a full range of models are available for riders of all sizes and skill levels.

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STAFF AIR POLLUTION SPECIALIST MONDAY: I'd like now to highlight the outreach that staff has done during the rule development process.

The process began in late 2013 when staff laid out initial concepts for the red sticker assessment. Since then, staff has held 16 public workshops and numerous meetings with individual manufacturers and stakeholders representing dealers, riders, and land managers. We have worked to develop a proposal that balances stakeholder interests with CARB's ongoing need for emission reductions.

On the next few slides, we want to touch on some of the key issues raised during this extensive outreach process.

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STAFF AIR POLLUTION SPECIALIST MONDAY: The primary concern voiced by dealers and riders was that eliminating the red sticker program would severely limit the number of models available on showroom floors.

Most OHRV dealers in the State are California-owned small businesses, and red sticker vehicle sales represent a significant portion of their total revenues. To avoid financial hardship, as discussed on the previous slide, the proposal includes elements to ensure manufacturers can provide a wide range of certified vehicles.

The proposal protects dealers and riders by harmonizing with U.S. EPA for 5 years, ensuring that model availability will be equivalent to the rest of the nation.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Another issue raised during the public rulemaking process is related to competition vehicles. We have received many comments on the issue of competition and racing vehicles. Under the current regulation, these vehicles make up a fraction of those certified as red sticker vehicles and they are subject to seasonal riding restrictions.

Because CARB does not have authority to regulate emissions from racing vehicles, these will still be available for competition use just as they are available

in the other 49 states. Stakeholders are concerned about how these racing vehicles will be managed, such that competitive riders have the ability to practice for events on public lands. While staff's proposal does not address this issue, we agree it must be addressed, and we are working collaboratively with our colleagues at State Parks and DMV to do so prior to ending red sticker certifications in 2022.

You will hear from Acting Deputy Director Dan Canfield of State Parks after this presentation.

Timing will be a challenge, but we believe it is vital to move forward so that we can ensure uncontrolled bikes are only used for true racing purposes.

In fact, the American Motorcycle Association, or AMA, District 36 has developed a concept that staff believes will complement the proposed amendments. Manufacturers and riding groups are engaged in the process as well. There are many details still to be worked out, including ways to identify competition vehicles through a VIN issued by the DMV and ensuring true competition riders have the ability to practice for competitive events.

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STAFF AIR POLLUTION SPECIALIST MONDAY:

Stakeholders raised the issue of how to better promote the use and development of zero-emission off-road

vehicles or off-highway ZEVs. Recent advances in battery technology have started to make off-highway ZEVs viable, and major manufacturers including KTM and Polaris currently market off-highway ZEVs in California.

IN fact, the KTM Freeride E-XC is available for purchase in California and the KTM Freeride Sx-E5 is a fully electric bike aimed for young riders, where the power is comparable to that of a current 2-stroke.

However, the off-highway ZEV market has not grown as rapidly as the light-duty sector. In the proposed amendments, we've increased the emission credits for zero-emission vehicles to help promote their development. Staff has also started working with the California Energy Commission and State Parks to develop charging infrastructure at public riding areas. This is a good first step and we will continue to look for additional opportunities to support the off-highway ZEV market.

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STAFF AIR POLLUTION SPECIALIST MONDAY: In summary, staff has determined that the red sticker program does not work today as originally intended. It's time that CARB end the red sticker program and move forward with reasonable emission standards that will help clean California's air, while minimizing disruption to the OHRV market.

As we have outlined in this presentation, the proposal provides significant emission reductions in a cost-effective and technologically feasible manner.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Since releasing the regulatory proposal for public comment, we have received suggestions from stakeholders on how to improve clarity of the proposal. We are proposing 15-day changes that include the addition of the U.S. EPA permeation test procedures to eliminate duplicative testing.

Also, manufacturers are proposing that youth model displacement cutoff be changed from 110cc to 112cc. Staff anticipates this would be about a 3 percent increase in models considered as youth, and should not have significant emissions impact.

These changes are not expected to affect the integrity of the regulation or the effectiveness in controlling emissions from OHRVs.

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STAFF AIR POLLUTION SPECIALIST MONDAY: Staff recommends that the Board take action today to adopt the proposed amendments including 15-day changes. Staff is committed to working -- continue working with our stakeholders and sister agencies on management of

competition vehicles when the red sticker program ends in 2022.

Staff will continue to look for opportunities to promote off-highway ZEVs, which will provide further emission reductions from this category in the future.

This completes our presentation. Now, I would like to introduce Acting Deputy Director for from State Parks, Dan Canfield. Can

CHAIR NICHOLS: Welcome

MR. CANFIELD: Hello. Good morning. My name is Dan Canfield with California State Parks. Thank you for the opportunity to appear before you today and provide comments. Thank you to CARB staff for their outreach efforts during this process. It's been very helpful. And State Parks definitely supports CARB in their efforts to control emissions from off-higway motor -- off-highway motor vehicles.

As State Parks has worked closely with CARB and DMV to administer the red sticker regulation since inception in 2003, State Parks has been the primary agency enforcing the red sticker regulation and associated riding season. This was accomplished directly through the management of our 9 State Vehicular Recreation Areas, or SVRAs, and through a grants program to local law enforcement and federal agencies who manage OHV

opportunities on the vast federal lands in California.

As you heard during the presentation from your staff, the red sticker program was meant to be a temporary solution back in 2003, temporary to allow manufacturers to catch up with technology and to allow the dealers, the recreationists, and all stakeholders to assist CARB in reducing air emissions.

This proposed regulation that you just heard about is a necessary step forward in statewide regulation of air emissions from OHVs.

The 3 largest public land managers in California that offer OHV recreation are State Parks, the United States Forest Service, and the Bureau of Land Management. These agencies will continue to have the primary responsibility to administer the use of off-highway motor vehicles on public lands. And we are all hopeful that this process has provided the necessary motivations to the manufacturers to bring to market more air emissions-compliant green sticker OHVs for citizens of California.

Further, incentives for riders to purchase these air emissions-complaint green sticker motorcycles are being discussed and are important to our mutual success moving forward.

During the last 16 years of the red sticker

regulation, air emissions for non-compliant OHVs have operated recreationally on public lands during certain riding seasons, and been -- have been subject to intermittent enforcement.

In many cases, federal lands in California of hundreds of thousands of acres, or maybe even millions of acres are covered by maybe just 1 or 2 federal law enforcement officers. And they're doing a wonderful. But as you can imagine, there's a lot of issues that they're challenged with. And perhaps red sticker green sticker is not high on their priority list as they cover these millions of acres of property, so making this new regulation even more important.

There is going to be a whole generation of red sticker riders who, over the last 16 years, have become accustomed to the seasons. At our SVRAs, we actually experience when the riding -- red sticker riding season opens up in the fall, we experience a big boost in visitation. And some of the visitors to our SVRAs treat it as a holiday. It's red sticker day.

(Laughter.)

MR. CANFIELD: They can bring their -- they can come out and have fun and enjoy their public lands. But just keep in mind, with this new regulation, those riding seasons will be going away. So there's going to be a

period of time, which the regulation allows for, for adult education, and we all know that can take time.

(Laughter.)

MR. CANFIELD: Now, successful implementation of these proposed regulations must address two important issue, and they were, to some extent, touched upon in the presentation from staff.

The first issue is in the future without this red sticker program, how will the State of California identify and track these noncompliant competition motorcycles that will continue to be sold, so we can have effective law enforcement.

We don't want to have a bunch of motor vehicles in -- operating in California that we don't have a good handle on who owns them, who bought them, who transferred them, who's moving them, who's operating them. So that's something that we're going to work out amongst all the stakeholders, CARB, DMV, and the manufacturers.

And the second issue that we heard about in the presentation was this concept of race practice. For the small segment of these motorcycles that are being operated in competition events, and which is -- as we've heard from stakeholders is an important part of this recreation. It's integral to how they enjoy the lands and how they enjoy this sport. And there's a need for these comp --

competitors to practice. The same way that we would ask -- we would not ask a marathon runner who's training for a long marathon to simply restrain their training to their backyard. We can't ask these competitors, who -- if indeed we're going to continue to support these competition events that are so important to the recreation, public land managers will need to be able to accommodate race practice, so that they're able to tune their bikes, practice, be safe, and -- so that is something we're going to continue to work out through this process, and a big reason why I'm thankful that staff have developed this program with this break-in period, where we can start educating adults, educating manufacturers, and then achieving these air emission standards that I think are so important.

And, of course, moving forward, State Parks will continue to coordinate with CARB and all the stakeholders, as we find a path to effectively regulate and administer this important program.

The completes my comments.

CHAIR NICHOLS: Thank you very much. I think we can just go to public comment. Are you able to stay for the --

MR. CANFIELD: Of course.

CHAIR NICHOLS: -- duration?

Thank you very much. We might have a question for you or two at the end.

Okay. We have a dozen witnesses who have signed up. You will see your name and where you are on the list. If you could come forward and be prepared to speak, let's get going starting with the Motorcycle Dealers Association.

And are we able to speak from both sides? Both of the microphones are working. Good. Okay. Thank you.

MR. PALIWODA: Good morning, Madam Chair and Board members. I'm John Paliwoda, Executive Director of the California Motorcycles Dealers Association, or CMDA. We're the trade association for California motorcycle dealers and for the last 48 years starting in 1971. I believe that's the same year you folks started, too.

The CMDA has worked as close as possible with staff over the last 5 years, but some differences of opinion remain. In these final staff amendments, there is much to applaud however in what staff has achieved and much that the CMDA does not oppose. The establishment, for example, of a higher 2 gram per kilometer HC plus NOx engine emissions standard that will bring many current red sticker 4-stroke off-highway motorcycles into green sticker compliance.

It seems as though that there will be many more

green sticker off-road bikes that will be available in 2020, since the staff has spent much time and energy with the manufacturers in structuring an 8-year roll-in of evaporative controls for all off-road motorcycles and vehicles by recognizing the OEM's limitations because of cost and many limited model sales in California.

Because of the significant changes proposed in the red sticker program, the CMDA also does not oppose the lifting of riding restrictions for all off-highway vehicles in 2025.

However, the CMDA does continue to question the end of the general sale of 2-stroke off-road motorcycles in only 3 years. The simple fact of the matter is we do not feel that enough provable justification has been produced to warrant the financial damage to California motorcycle dealers who sell, and, in many cases, depend on OHV sales.

Staff estimates from 3 to 6 tons of ROG per day is attributable to 2-stroke off-road motorcycle -- off-road -- 2-stroke off-road motorcycles, depending on the report. But the CMDA has consistently questioned the methodology, since this estimate was derived through calculations and not by an even single field ambient onsite in-use measurement.

It is apparent, however, that 2 -- that new

2-stroke off-highway motorcycles will be eventually removed from being offered for sale, except for purely racing purposes.

I respectfully and sincerely ask the Board to consider adding at least 1 year, preferably 2 years until they are no longer permitted for sale in this state. That will give the dealers, who have only 38 percent recovered from the recession, an opportunity to increase sales from their existing product line or to find an alternative product line to replace the income stream lost by the disappearance of the 2-stroke model sales.

Will you please help and already endangered California retail motor vehicle industry to survive the elimination of a product line, a full product line, that many dealers depend on for their survival. Thank you for your consideration.

CHAIR NICHOLS: Thank you. Could I just ask --

MR. PALIWODA: And I stand ready to answer any questions.

CHAIR NICHOLS: I'm sorry. I just -- I was going to ask you a question.

MR. PALIWODA: Yes.

CHAIR NICHOLS: Just to -- if you could give - it doesn't have to be exact - numbers of dealers that are handling these particular vehicles that you're talking and

what their rough annual sales would be?

MR. PALIWODA: The -- there are approximately 270, I would say, legitimate motorcycle dealers here in California. And about two-thirds of them are metric dealers, that is dealers that have, in their product line, off-road motorcycles.

CHAIR NICHOLS: Um-hmm.

MR. PALIWODA: And all of them, of course, can offer 2-stroke units. And that really depends on the place in the state and really the market which they are serving.

I have included in my written testimony a survey that I was I conducted among our dealers in 2017/2018 at the request of CARB staff. And that includes comments and percentages from 20 dealers. And depending on the dealer, and again the size of the dealer, and their marketplace, and if you take into consideration also the parts and services beyond that, in some cases, it's up to 60 percent of a dealer's -- of a dealer's income -- income stream.

It can be down next to nothing if, for example, some dealer does not --

CHAIR NICHOLS: Sure.

MR. PALIWODA: -- sell many 2-stroke. And I'm really honing in on the 2-stroke off-road motorcycles --

CHAIR NICHOLS: Right.

MR. PALIWODA: -- because that's the issue we have with this.

CHAIR NICHOLS: Thank you. Thanks for answering.

MR. PALIWODA: Yes. May I answer any other questions?

CHAIR NICHOLS: No.

MR. PALIWODA: Thank you very much for your attention.

CHAIR NICHOLS: Okay.

Mr. Barnes.

MR. BARNES: Good morning. I'm Eric Barnes with the Motorcycle Industry Council. And thank you for the opportunity to provide a few comments. Staff has actually already addressed a few of the items that I wanted to touch on. But there were a few that I still wanted to highlight. And I would like to start by thanking staff for working with the MIC and the manufacturers and other stakeholders on these proposals. They're very important for us.

Staff's proposal includes provisions for electronic or electric off-highway recreational vehicles. Those provisions are very important. However, I wanted to highlight that currently electric off-highway recreational vehicles are being recharged at the riding areas using gasoline-powered generators. And so in order for them to

truly be zero-emission vehicles, charging infrastructure is critical. So we'd like to encourage ARB to really concentrate on the development of charging infrastructure.

Also, incentives for consumers are important. We'd like to encourage you to look into that as well.

As was mentioned, the need for opportunities for training and practice for competition is also very important. And we encourage staff to continue working with Parks, law enforcement, DMV, and other stakeholders, so that competitors really do have sufficient opportunities for training and practice.

And timing on these items is very important, very critical for the manufacturers, so that they can make the necessary preparations. So we encourage you all to keep that in mind as do your work.

Thank you.

CHAIR NICHOLS: Okay. Thank you.

MR. SANTIN: Good morning. I'm Ed Santin. I'm AMA District 36 Congressman for the last 15 years. I've been the competition director of DDNMC the Hangtown Motocross Classic since 1990. I'm been involved Prairie City since one of our founding members started McGills Cycle Park, and it event became State -- excuse me, the county park, and then became our OHV park that we have now. Our race has been there -- our cross-country race

since 1971 when we opened, and since 1979.

So what I -- I was just coming to support this whole procedure that you did, seeing your presentation. I know that working with Chris Ruehl and doing the testing over the last 5 years, they've been able to identify a lot of the competition bikes that are -- that, with a little tiny bit of change, could actually drive down the street. And that's a big change from when we had just 2-strokes.

I've also been involved in sound testing too. We've made some big things. This is all part of OHV. Since we started at 102 decibels at a 20-inch test for the AMA, and we were down to now 94 decibels. And it's compliant across the United States. So we've made huge a change.

So working -- I just wanted to come give support today for this. I think there's really good ways. And if you get the avenue, so that we can change these things, electric bikes, I think we're going to move way far ahead. So I really do support this.

Thank you for your guys' time and all the effort. I really appreciate it.

CHAIR NICHOLS: Thank you.

Hi. Good morning

MS. GRANAT: Hi. Thank you. Amy Granat, California Off-Road Vehicle Association. Primarily, we

want to come and support the thoughtful and very sensitive way that the staff has dealt with all the stakeholders. This has been a multi-year process. And we have found the staff extremely responsive to all the questions and concerns that we've had along the way.

There have been changes in response to our comments, which we especially appreciate. What has been presented today is the best possible outcome presented with the best possible intention. Unfortunately, all of us know that implementation does not proceed always as seamlessly as we might like.

So one word that was mentioned during the presentation is "flexibility". And I just want to emphasize how important flexibility will be during this multi-year implementation process, and that it be viewed not with punitive action in mind, but understanding, because these are big changes that are going to affect a lot of people.

We also want to acknowledge that California citizens are going to be the ones mostly affected by it. And we appreciate how important air quality is, especially to our children, and in my case my grandchildren, but also have livelihoods and small businesses that are going to be affected. As the gentleman who represented the dealers, our small businesses are a core of our economic viability

in California. We want to make sure that they're protected, and we also want to make sure that the enthusiasts, who may not always understand what the right thing is to do at the right time, is educated about the process as we move forward.

Thank you.

CHAIR NICHOLS: Thank you very much. Appreciate it.

DR. BREZNY: Good morning, Chair Nichols and members of the Board. I'm Rasto Brezny, the Executive Director for the Manufacturers of Emission Controls Association. MECA represents the leading manufacturers of emission control GHG reduction and electric vehicle components for all mobile sectors.

In fact, a number of our members are commercializing technologies for both on-road and nonroad motorcycles to achieve the most stringent standards, which are Euro 5 that begin implementation next year in Europe, and then in 2022 in India.

We thank your staff for developing a proposal that finally sunsets the red sticker motorcycle program once and for all. MECA believes that aligning with federal standards for evaporative and exhaust emissions through 2027 represents a balanced approach to get rid of unregulated bikes, provide economic relief for OEMs and

dealers, and still achieve overall emission reductions from recreational off-road vehicles.

Evaporative control technologies, such as low permeation tanks and hoses, both active and passive purge canisters are readily available and proven effective on both motorcycles, as well as passenger cars for decades.

The proposed design-based evaporative standards offer significant cost reductions to OEMs in certifying their motorcycles and vehicles. However, CARB's own testing on small spark-ignited engines has shown that this design-based approach may not always deliver the expected reductions in the real world, if the components are not installed and implemented -- incorporated on the vehicles properly.

So therefore, we recommend that following implementation, CARB develop a robust compliance plan to check and make sure that evaporative emission reductions are actually being achieved from this sector.

While we understand the need to consider the economic impact on small businesses and limited markets, MECA believes that more can be done to reduce emissions from this sector, through the deployment of cost-effective engine exhaust technologies, as well as electrification.

Fuel injection and advanced evaporative controls are being developed for other global markets, and

closed-loop exhaust controls for on-road motorcycles can deliver as much as an 80 percent reduction from -- of hydrocarbon and NOx.

We commend your staff for their hard work and dedication in bringing you this proposal today to phase-out uncontrolled off-road bikes and vehicles. And we look forward to working with them to bring the most advanced technologies to on-road motorcycles as part of a future rulemaking.

Thank you for this opportunity to provide comments, and I'm happy to address any questions you might have.

Thank you.

CHAIR NICHOLS: Thanks.

MR. MORENO: Good morning, Chair Nichols and the Board. My name is Abraham Moreno. I'm just an enthusiast. And I've kind of been with this thing from the beginning. And I'm also a retired law enforcement officer. And I spent a lot of time enforcing a lot of the laws on red sticker, green sticker registrations, things like that.

And the red sticker program it, as Scott Monday mentioned, that it allowed manufacturers time for technology. But I think in reality it forced the technology, because the Air Resources Board did have

control over those competition bikes by having the red stickers. And I think by not having the red stickers, those bikes don't go away. They just become competition. They fall under EPA rules, and then they don't fall under State rules anymore.

So I think that by the red sticker program going away, and assuming that a lot of the bikes will become green stickers, I think that there's no force to the manufacturers to make those bike green stickers. I think what's going to happen is the green sticker bikes are going to go to the red sticker side, which was before, and then they'll go under the EPA regulations.

So I think -- by whatever is decided here, I think by losing that red sticker control and losing that $6.2 million in revenue from the red stickers, I think a lot of that money that goes to law enforcement, goes to State Parks is going to have to be recouped some other way.

And also, as Dan from State Parks mentioned, the federal parks don't have a lot of guys out there working. And so they let pretty much family come out, ones got a green sticker, and a bunch of kids are on red sticker bikes. You know, they're not going to turn the kids away, so they're going to let them ride.

And I don't think it's going to change anything

at all, because the bikes are not going away. Those bikes are just losing the red sticker, and going to the EPA side, and becoming a competition bike, which they already are in all the other states.

I think that it should be -- the red stickers should be kept, so that we, in California, can keep control of these bikes, keep track of all the registrations, keep track of where these bikes are at, and have a little bit of control over the manufacturers.

Thank you.

CHAIR NICHOLS: Okay. Thank you.

MS. CULTON: Hello and good morning. My name is Molly Culton. And I'm speaking on behalf of Sierra Club California. We have a range of serious concerns about off-road 2-stroke engine vehicles, or dirt bikes. Among those are their emission impacts on public health and the environment.

We believe it is time to abandon the red sticker program and move away from allowing manufacturers to continue producing highly polluting vehicles when cleaner technology is available. We support the staff proposal, which will ultimately deliver cleaner air to Californians, including those Californians who purchase and ride dirt bikes.

Thank you.

CHAIR NICHOLS: Thank you. Nicholas Harris.

MR. HARRIS: I apologize. I thought she was going to be up for a little longer. Nicholas Harris, Western States Representative for the American Motorcyclists Association. And first of all, I do, as we've heard from a number of speakers, I want to thank the staff. They've been very engaged. Every time I've had a question or sent an email, I've gotten a very prompt response. And so that's been a really nice -- it's been a long process, and so it's been very nice to see an engaged staff.

I do want to say also we're very pleased to see the electric vehicles and the kind of fleet averaging concept really being brought forward. That was something that we had mentioned early on. I think it creates an incentive. Plus, we do have the -- some manufacturers that are electric only. So it helps create incentives or potentially a way for them to maybe sell some of their offsets to manufacturers that could use them.

I'm also very pleased to see that the competition discussion has moved forward. I realize we're maybe not completely done with that, but at least I'm very happy that that reality has been recognized. And I liked the analogy that Dan made about the marathon runner running in their backyard.

I mean, we do need to make sure these folks can program, and remain safe, and remain competitive, quite frankly. I mean, so that's a big issue.

I'm a little worried still that the sales estimate -- we saw the chart earlier, and in previous presentations, we've seen the sales estimates. Things change a lot in this industry. Things could be better than are estimated obviously. But, so far, I think they've proven to be a little optimistic. And so again, I like the idea of revisiting this as new and better data becomes available to make sure that we're able to adjust as necessary.

I am confident and very pleased with the time frame. I feel the industry can and will respond as these rules are brought forward. And I want to make sure also -- one thing I've heard different discussions on is the competition vehicles. I want to make sure there's some form of a tracking or registration system, simply for law enforcement purposes, as well as for people that want to potentially sell the vehicles. We heard at one point there might not be like a title offered. And I think that's very important for the community as well as for the industry.

Thank you for your time.

CHAIR NICHOLS: Thank you.

MR. STIASZNY: Good morning. My name is Martin Stiaszny. And I'm here to represent Joe average rider. I actually own 6 dirt bikes. And for 15 years, I rode green sticker only. And last year --

CHAIR NICHOLS: Excuse me, could you speak up a bit? I'm having --

MR. STIASZNY: Sure. Is this better?

CHAIR NICHOLS: Thank you. Thank you very much. Yes.

MR. STIASZNY: So, yeah, for 15 years I rode green sticker only. And then last year, I switched to red sticker. And the difference between the green sticker bikes and the red sticker bikes, even for a non-competitive rider like myself, is absolutely night and day.

So I would argue that what went wrong was not the red sticker program, but the green sticker program. I mean, the red sticker bikes feel twice as powerful. They're 30 pounds lighter. It's amazing. And when you're on a motorcycle, that makes a huge different. I mean, I put on 20 pounds from my glory days, and I already notice it's way harder to ride a dirt bike. So what's been happening is that it's like people go out and by a bike -- a green sticker bike, and then immediately pull off all the emission controls.

And, you know, if your carbon -- like, I don't want to pollute. I like the idea of having a carbon canister, because my garage smells like gasoline. But if the carbon canister weighs, you know, 1 pound or 2 pounds, that's great. If it's 5 pounds, 10 pounds, people are going to pull that off immediately. People are going to open up their engines and replace the cam in there. There's all kinds of things are going to happen. A lot of that is done out of -- out of ignorance, because people see this huge disparity between the performance of the green sticker and red sticker bikes.

And so I want to say I fully support harmonizing with the federal standards. It seems like now that we have fuel injection, which is a wonderful physical, that actually increases your performance at no penalty to weight or anything like that. So I feel like it would be much better if we just create some standards that are reasonable for manufacturers to hit without the performance penalty.

And then I would -- I would -- I would just ride green sticker the whole time. I wouldn't try to touch my bike or modify anything. If I look at that and go, hey, this is the same kind of bike I can get in Nevada, and that would be wonderful. So I think that's where we need to go.

The other thing I noticed in the presentation was, you know, people talk about how 5 tons of reactive organic gas reduced per day, but nowhere was it mentioned like what proportion of the overall -- hello. Sorry -- what proportion of the overall amount of pollution is this.

I mean, because we're talking about already there's like one 1/100 of the number of motorcycles that there are like street legal vehicles, and they get ridden far less than street legal vehicles. So we're talking maybe like 1/1000 of the total amount of pollution in the State of California. It seems like the -- an odd thing to focus on.

And, you know, also, if -- I would sort of like to see people think about Californians having a pollution budget. And then we should spend that budget on the things that give us joy, like camp fires, barbecues, off-roading. Like, I don't -- like, nobody cares -- I would love it if there was zero pollution from the port, from trucks, and stuff like that.

And so in an ideal scenario, all of our pollution budget would get used for things that are enjoyable and bring people together.

Thank you.

CHAIR NICHOLS: Thank you.

MR. BUCK: Hello. My name is Shane Buck. I'm a student over Solano Community College. And been dirt biking for 15 years. And I've been doing a lot of mechanic work and stuff.

And my biggest issue with this is the California specific models, after, is it 2027, 20 -- whatever. And it's really difficult to acquire smog parts for California specific cars that are like 30 years old. It's a nightmare. It can't be done. They don't exist at junk yards. And that's really going to cut -- in the future, I almost guarantee you that these parts are going to be tied into the computer system on the bikes, and they won't run right without the parts.

And as bikes age and they enter the used market, where kids and low-income people can afford the newer models, it's going to drive up cost of ownership with those, and maybe discourage people from the sport, especially kids. Like, right now, the new 4-strokes are expensive, and a kid can't afford a rebuild like back in the old 2-stroke days. And adding more and more to that is just going to keep discouraging, you know, participation, and it's going to suck.

All right, guys. Thank you.

MR. BARRETT: Good morning. I'm Will Barrett with the American Lung Association in California speaking

in support today.

Yesterday, the American Lung Association released our 20th Annual State of the Air Report. And that really goes to show every year that California had some of the most difficult air pollution problems in the United States, and that we must do everything possible to clean up the air.

And we must do more, and we must do it more quickly. And we must touch all sectors that are polluting the air in California. Every bit matters.

We appreciate the staff have brought forward this measure and believe it is critical to continue reevaluate the progress and successes of the programs that we have to clean our air, and to make sure that we're -- the implementation is not working at cross-purposes to achieving those goals.

Given that the red sticker program was envisioned as a temporary program and that it's proving to have these significant unintended consequences covered in the staff report, we support moving to end this program as soon as is feasible.

We with also encourage you to move forward with the stronger standards and appreciate the focus on the zero-emission crediting, and also the focus on making sure there's adequate charging infrastructure at the locations

for these vehicles to be used.

Finally, we do encourage strong and diligent enforcement going forward to make sure that the program is successful, and in meeting all the needs we have for clean air in California.

Thank you very much.

CHAIR NICHOLS: Mr. Magavern.

MR. MAGAVERN: Thank you. Good morning, Board Members. Bill Magavern with the Coalition for Clean Air in support.

Clearly, we need to reduce the reactive organic gases. And these reductions are called for in the State Implementation Plan, which actually a better word for that might be the State's pollution budget. I like the phrase that the previous speaker used.

I also noticed that there are benzene emissions. And those, of, course are toxic air contaminants that we've very much need to reduce. This program created a loophole for dirty 2-stroke engines. And that loophole has grown, so that in the off-road motorcycles, they're actually a majority of the vehicles.

So we think it's long past time to close this loophole. What you heard from your staff is that the red sticker program, number 1, doesn't work; number 2, is being used actually to violate the existing rules; and

number 3, is not necessary, because cleaner technology is now available.

So going forward, I think there is still more work to be done to limit emissions from off-road vehicles. I think, first of all, this competition exemption needs to be very carefully managed, so it doesn't become an even bigger loophole than it is now.

Secondly, there needs to be effective enforcement, particularly against the kind of tampering that we heard about. And thirdly, we really need to have a transition to fully zero-emission vehicles.

Thank you.

CHAIR NICHOLS: Thank you very much. That concludes the list of witness who had signed up. So I think we -- unless, the staff has additional information that you would like to add, that we can close the record and move to the Board.

So let's proceed now to any Board discussion. I do want to just make sure that we are clear that the record will be reopened, and there will be a 15-day notice because of the additional changes that the staff has proposed. So the public will have an opportunity to submit written comments when that record reopening happens. And they'll respond to any comments and -- in the Final Statement of Reasons for the regulation.

But after that point then, there won't be any further comments received, and the Executive Officer will proceed to take final action on adoption at that point. So the Board is now to discuss and give direction to the staff in terms of the proposal that's in front of us.

Does anybody have any comments or questions?

Yes.

BOARD MEMBER FLETCHER: Thank you. I have a question about the EPA period, the 5-year period where we'll be compliant with EPA standards. Has the EPA made any significant change in their off-road emissions in the last 2 years or is it essentially the same?

MLD AIR RESOURCES SUPERVISOR BACON: The EPA standards are the same as they've been, since they were initially adopted, I believe.

BOARD MEMBER FLETCHER: Okay. Is there any -- when we set it to the EPA standards, are we setting it to the EPA standards today, and that will be our standard moving forward? Like, if the EPA were to change its standards and we set consistent with EPA standards, would ours also change? Does that make sense? Can the EPA change -- I assume they could change that, if the wanted to?

MLD AIR RESOURCES SUPERVISOR BACON: Well, let me start by saying we don't anticipate. As far as we're

aware and we're in regular contact --

BOARD MEMBER FLETCHER: There's a lot of things with the federal government we don't anticipate.

MLD AIR RESOURCES SUPERVISOR BACON: That's very true, very true.

(Laughter.)

BOARD MEMBER FLETCHER: They still seem to --

MLD AIR RESOURCES SUPERVISOR BACON: Yeah, so we're not expecting any changes. But the way the regulations are written, they would point to the current EPA requirements.

BOARD MEMBER FLETCHER: So if EPA requirements were to change, then ours would simultaneously change as well?

MLD AIR RESOURCES SUPERVISOR BACON: That -- oh sorry. Didn't see our attorney.

ATTORNEY MAY: No. That would no occur, because it's incorporated by reference as of today's date.

BOARD MEMBER FLETCHER: Got it.

ATTORNEY MAY: So if they do change after this date, they would not change for us.

BOARD MEMBER FLETCHER: Ours would stay what they were. Okay. Okay. Thank you. Thank you for that.

I have one just -- one comment that's been echoed by a few folks is I do have concerns here about the

recreational versus competitive nature. And I think that's obviously going to be an enforcement issue and a thing as you go forward. And I'll just say because it's the line between what is recreational and what is competitive, if not clearly defined and outlined, could create a tremendous loophole where we wouldn't get the potential benefits from this.

And I'll just use -- as my own analogy, I used to be a competitive baseball player. I wasn't very good and so my competitive career did not last very long.

(Laughter.)

BOARD MEMBER FLETCHER: I still play on Sundays in a recreational league, but I play very competitively in that recreational league.

(Laughter.)

BOARD MEMBER FLETCHER: And so -- and so theoretically I could claim I'm a competitive baseball player. And so, you know, I just have concern as you create this, that you actually -- and I was interested in some of the comments from folks who -- in the industry who outlined, you know, there's some criteria, or thresholds, or standards by which you are a competitive rider and eligible for this. And I know that's a variety of entities involved in that. That's not necessarily us. It's our friends at State Parks and other places. But I

just think that's important to fulfill the aim and goal of the emission reductions that we hope.

The other thing -- and I just -- I support this. I think this is a modest proposal that goes well. It was interesting 20 years ago when this discussion was had by this same board. I wasn't here, but I did pull the transcript of that hearing. And it was -- it was very interesting to read through some of the comments that were made at that time for why there needed to be a temporary program.

It was temporary was driven multiple times. And again, I guess temporary is subjective. You could say 2 decades is temporary. But nonetheless, the arguments were that there was a lack of availability of new models. And as we heard testimony, the industry has changed rapidly. Exactly, there was a big change. And so that would seem to be able to comply.

There was one about the cost of compliance, which if it is assessed at 4 percent to move one to the other would seem not to be a significant hurdle.

And then the other thing that was discussed was the regulation of where allowed, which is not really an issue that is in our purview, is the Bureau of Land Management is the federal Parks system, and, of course, our friends in State Parks.

And so it would seem like in the 20 years since this was discussed, the concerns that were raised have more than been addressed. And so I want to commend the staff for bringing forward something that's good.

CHAIR NICHOLS: Thank you for those comments. I wasn't here when this rule was originally adopted, but I was here when we recently dealt with the issue of evaporative emissions, and recognized that for many of these vehicles they're emitting a lot more when they're sitting in people's garages full of fuel than when they're actually being used, because a lot of them aren't really used all that often.

So I think this is -- it has tightened up a lot, and emissions controls have improved in this area. It's always interesting when you're dealing with something that affects a wide swath of the public, which this does, you know, people for whom this particular recreation is very valuable and important, and it's also a significant source of revenue for our State Parks systems the Off-Highway Vehicle Program. So it has its own kind of constituency, as well as people who would like to eliminate it completely. And we used to hear a lot from them as well.

So I think it's a sign of progress as a society that we've come to the point now where there's relatively little angst about the whole thing and the -- by and large

we have support to move forward.

Yes, Dr. Sherriffs.

BOARD MEMBER SHERRIFFS: We know Supervisor Fletcher 20 years ago was busy playing baseball, which is why he missed that meeting.

(Laughter.)

BOARD MEMBER SHERRIFFS: And everybody else who was at that meeting is retired.

CHAIR NICHOLS: We have a CARB team, by the way, we can talk to you about.

(Laughter.)

BOARD MEMBER SHERRIFFS: Oh, well. And I just want to clarify one question, and I've got a couple comments, but -- so 2027 more stringent standards begin. Have those standards been established or we're anticipating those emission standards will --

MLD AIR RESOURCES SUPERVISOR BACON: The standards are established and they're defined in the proposal.

BOARD MEMBER SHERRIFFS: Okay.

MLD AIR RESOURCES SUPERVISOR BACON: In broad terms, they are consistent with the current green sticker standards, although we have made some adjustments to evaporative controls.

BOARD MEMBER SHERRIFFS: All right. Great. And,

yeah, again, it's taken a long time, but appreciate the engagement of the staff, and the engagement of the industry, and the riders, and the sacrifices that they're all willing to make for health, because that's what this is all about. It's for health.

And I'm reminded, if there is combustion and you can see the products of combustion or smell the products of combustion, it is probably unhealthy, and possibly very unhealthy.

So this -- I -- when I was a teenager, you know, I loved the smell of internal combustion engines. And I was a really -- all kind of things, but I won't go into here.

(Laughter.)

BOARD MEMBER SHERRIFFS: But I was you young then.

(Laughter.)

BOARD MEMBER SHERRIFFS: But, yeah, this is for health. This is for health absolutely. Very important.

You know, clearly also, I mean, we look at 20 years. And, oh, come on, this is a small piece. Let's get this done, and temporary. But the engagement does have to continue, doesn't it? That's another important piece of this, because the implementation issues, the enforcement issues making those work. Comments were made

about the educability of adults, and -- well, the industry I think has changed and riders have changed. Safety, I think is a presumption today, and probably 25 years ago was not, in terms of helmets, and elbow pads, and back braces, and the kinds of things that, you know, parents would not let their kids get on the bike without today.

So things have very much changed. And I hope, as we stay engaged, things will change. Part of the education would be the power of green and people taking pride in riding a green bike, not -- not just a powerful bike, but a powerful green bike.

And that maybe some day -- you know, I don't know. Can we move incentives, so that we incentivize competition based on divisions by emissions, as opposed to displacement?

And, you know, Formula 1, they have electric -- all electric Formula 1. Not very noisy, but it's very exciting, and they go really fast. A lot of power. So there's a future to that. But we clearly -- we're not done. This is a step along the way.

And again, thanks to staff. Thanks to stakeholders. Thanks to the riders who enjoy this for their engagement to move this forward.

CHAIR NICHOLS: Thank you.

Mrs. Riordan.

BOARD MEMBER RIORDAN: Yes. I'll show my age. I think I was here when this was first discussed.

Madam Chair, I would like to move Resolution 19-11 and say congratulations to the staff for some really good work.

BOARD MEMBER SHERRIFFS: Second.

CHAIR NICHOLS: Thank you. We have a second.

BOARD MEMBER SHERRIFFS: Second.

CHAIR NICHOLS: All right. I don't think we need to call the roll on this. I'll just ask for a voice vote.

All in favor please say aye?

(Unanimous aye vote.)

CHAIR NICHOLS: Opposed?

Abstentions.

Very good. Thank you very much, staff. Nice work. It's not usual that we go back and look at a program and find a need to replace it. But we do it, and it's -- this is a good one.

So the next item is the proposed amendments to the certification of vapor recovery system on cargo tank. At this time, I don't have a opening statement, so we'll just give the staff a minute to change personnel here at the desk.

Okay. A new team.

Mr. Corey, would you please introduce this item?

EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

Today's proposed amendments address the fees that CARB charges for required annual certification of vapor recovery systems on cargo tanks in California. The Cargo Tank Vapor Recovery Program was established to control the gasoline vapor emissions associated with the loading and unloading of gasoline to and from a cargo tank.

In 1996, CARB established a fee of $20 per annual cargo tank certification to recover the costs of program implementation. Since that time, the fees have not been increased. The program is currently underfunded, and the current regulation does not have a mechanism to recover actual costs. Staff is proposing regulatory amendments to allow for an increase in fees to recover costs of implementing the program.

I'd now like to ask Samantha Aguila of the Enforcement Division to give the staff presentation.

Samantha.

(Thereupon an overhead presentation was presented as follows.)

AIR POLLUTION SPECIALIST AGUILA: Thank you, Mr. Corey.

My presentation today will start with an introduction to cargo tanks and a description of our objectives. We will then discuss the proposed amendments

to the cargo tank regulation and our next steps.

I'll start with a quick introduction to the program.

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AIR POLLUTION SPECIALIST AGUILA: Gasoline is produced at refineries and transported through pipelines to bulk terminals. Gasoline is transferred using cargo tanks loaded at bulk terminals. Trucks then haul gas -- cargo tanks to gasoline stations where the gasoline is offloaded for retail sale.

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AIR POLLUTION SPECIALIST AGUILA: CARB regulations minimize gasoline vapor emissions from transport, storage, and fueling of gasoline. Phase 1 regulations control vapor emissions during the transfer of gasoline from the cargo tank to gasoline dispensing facilities.

And phase 2 regulations control vapor emissions during the transfer of gasoline from the facilities to the vehicle, and storage of gasoline at the gasoline dispensing facility.

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AIR POLLUTION SPECIALIST AGUILA: The cargo tank regulation focuses on controlling vapor emissions associated with the transfer of gasoline from storage

tanks at terminals or bulk plants to cargo tanks, and cargo tanks to gasoline dispensing facilities.

The control of emissions associated with these transfers is referred to as phase 1 vapor recovery, which you can see occurring on the left side of this graphic. This depicts the flow of fuel and gasoline vapors as displacement occurs during the loading and unloading of gasoline with fuel represented by the orange color, and gasoline vapors represented by the pink color.

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AIR POLLUTION SPECIALIST AGUILA: The program is legally mandated in the Health and Safety Code, and has been in place for decades. State law requires collection of a fee to recover the costs of program implementation.

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AIR POLLUTION SPECIALIST AGUILA: The cargo tank regulation implements the statute establishing emissions standards, test procedures, annual certification, labeling requirements and an annual fee for program implementation.

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AIR POLLUTION SPECIALIST AGUILA: The current fee is $20 per cargo go tank per year, which was established in 1996 when CARB assumed responsibility for the program from the California Highway Patrol. The fee has not been updated since 1996. Today, the actual cost to issue

certifications alone is $80 per tank per year. And as a result, the program currently operates at a $300,000 annual deficit.

Because there are no staff dedicated solely to this program, field activities have been limited for the past decade. This has resulted in a decrease in compliance rates over time.

Our preliminary evaluation suggests that a fee of up to $205 per tank per year would be needed to fund inspection and compliance assistance activities to improve compliance rates and to develop a functional and secure IT system.

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AIR POLLUTION SPECIALIST AGUILA: Staff certifies about 6,000 cargo tanks each year. The operator notifies CARB of an impending certification test, so that staff may witness the test, if desired, and the third-party tester follows CARB testing protocols. The operator submits an annual certification application along with test results and a few to CARB. Staff reviews the application and if it meets requirements, grants the certification and issues a decal.

The decal must be displayed on the cargo tank. The decal is valid for 1 year and is required to access bulk terminals for gasoline loading anywhere in the State.

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AIR POLLUTION SPECIALIST AGUILA: A cargo tank is not compliant with vapor emission controls when a valve or gasket is malfunctioning. Lower compliance rates likely indicate more valves or gaskets are malfunctioning, which may result in additional gasoline vapors released into the atmosphere.

The annual certification requirement is designed to ensure every cargo tank is checked and confirmed to be operating properly once per year. Enforcement efforts are designed to ensure all cargo tanks are certified and working properly.

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AIR POLLUTION SPECIALIST AGUILA: The proposed amendments establish a mechanism to periodically update fees to recover program costs and do not affect certification performance standards.

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AIR POLLUTION SPECIALIST AGUILA: The amendments establish a formula staff will use to determine the fee. The fee is based on the total direct and indirect costs of the program implementation, including the cost of a new IT system, multiplied by the inflation rate, then divided by the average number of applications submitted over 2 years.

The use of this formula results in the assessed

certification fee per cargo tank necessary to recover the total cost of the program.

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AIR POLLUTION SPECIALIST AGUILA: Under the proposed amendments, before adjusting the fee, staff must hold a public meeting to discuss the potential adjustment, and if approved by the Executive Officer, the fee will become effective January 1st of the next year.

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AIR POLLUTION SPECIALIST AGUILA: The proposed amendments also provide additional language to clarify the cost of replacement decals and establish requirements for refund requests.

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AIR POLLUTION SPECIALIST AGUILA: During the comment period, we received feedback that we should provide stakeholders more certainty on fees paid each year. We are planning to propose 15-day changes that clarify when analysis of program costs and fee adjustments will occur. These changes will ensure that analysis of program costs will occur at least once every 2 years, and fee adjustments will not take place anymore than once every 2 years.

We also received feedback that we should limit the Executive Officer's ability to raise the fee without

Board approval. As a result, we are planning to propose 15-day changes that would affectively establish a threshold for an allowable adjustment without Board action after the initial fee adjustment following these amendments. We are still developing this concept, but we are considering a threshold of a 15 percent change from the previous fee.

For instance, assuming a $200 fee per cargo tank certification, this would limit adjustments by the Executive Officer to $30 over a 2-year period. Any adjustments above this level would require additional Board approval. The threshold would continue to allow staff to adjust fees to recover most changes in program costs, but would also ensure that no major changes to program resource levels would be made without Board approval.

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AIR POLLUTION SPECIALIST AGUILA: Most cargo tank fleets -- fleet operators are small businesses. The majority of fleets have 5 or fewer cargo tanks. This is an important consideration. And staff analysis has shown that while the potential fee increase following these amendments is significant, even small fleets should be able to pay the increased fee.

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AIR POLLUTION SPECIALIST AGUILA: We offered an extensive public process for this rulemaking. This included 4 workshops in Sacramento, Fresno, and Los Angeles, and 4 additional workgroup meetings in Sacramento. We also met with industry representatives. While our outreach was extensive, participation was relatively low.

Stakeholders asked questions about current compliance rates, and as a result, we conducted a limited enforcement push consisting of 200 pressure tests, which resulted in staff identifying an 81 percent industry compliance rate. Stakeholders requested that CARB hold a public meeting prior to adjusting the fees, and that is written into the proposed regulation.

Stakeholders are also concerned about the potential for an increased fee, and the potential impact of increased enforcement following this amendment. We continue to work with stakeholders to address these issues as part of our plan moving forward.

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AIR POLLUTION SPECIALIST AGUILA: We recommend that you approve the proposed amendments and staff's anticipated 15-day changes to the regulation. With your decision, we will continue program implementation.

Before concluding the presentation, I'd like to

go over staff's next steps moving forward with implementing the program.

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AIR POLLUTION SPECIALIST AGUILA: Our goal is to achieve a high rate of compliance with vapor emission limits from cargo tanks, which is the goal of annual certification. Separate from the process of developing proposed regulatory amendments to the certification fee, we have had discussions with stakeholders about how to improve compliance rates.

During these discussions, industry suggested the development and implementation of a compliance assistance program, or CAP. Staff supports the development of a CAP for improved compliance rates through stakeholder engagement.

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AIR POLLUTION SPECIALIST AGUILA: The cargo tank CAP could potentially consist of training, outreach, and an industry self-inspection program. Participation in the program would be voluntary and independent of regulatory requirements. We hope that through education and industry action, compliance rates will improve independent of enforcement.

CARB's enforcement efforts will continue. However, active participation in the voluntary CAP may be

considered during evaluation of mitigating factors for future violations, consistent with CARB's Enforcement Policy.

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AIR POLLUTION SPECIALIST AGUILA: Once the regulation is approved by the Office of Administrative Law, CARB would start the process of adjusting the certification fee. We expect the revised certification fee to potentially increase to up to $205, after a public meeting and further discussions with stakeholders about the resources needed to implement the program.

The revised fee will depend on the amount of resources necessary to perform field enforcement for the program, updated cost estimates for a new IT system, and implementation of the CAP. We expect the fee increase could take effect on January 1st of 2020.

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AIR POLLUTION SPECIALIST AGUILA: Thank you. We look forward to any questions you may have.

CHAIR NICHOLS: All right. Do we have a sign-up list of people here. Apparently we're having some technical difficulties with posting documents. So we have to rely on human power here.

All right. Trusty Board Clerk running up to the podium. Sorry. We have on witness Sam Bayless,

California Fuels and Convenience Alliance. Hi.

MR. BAYLESS: Hi. My name is Sam Bayless representing the California Fuels and Convenience Alliance.

First, I would like to thank CARB staff for their hard work in this rulemaking process and they said they held numerous workshops and workgroup meetings to address industry concerns and any proposed amendments that were posited.

As the staff report shows, the fee has not been adjusted since 1996, which has led to a program budget deficit and decreased enforcement activities. It has also led to what will be a 1,000 percent fee increase. I encourage CARB to carefully monitor budgets and compliance rates of programs, so this type of problem can be avoided in the future.

Small businesses plan their budgets carefully, and while they do plan for unexpected costs, an increase of 1,000 percent for this fee is not something that they could have foreseen. The proposed IT project will cost up to $750,000, and certain features of the system may never be usable.

Staff told stakeholders the system will allow them to enter fuel terminals, if they have not -- if they paid for, but not yet received their certification

sticker. This was not and is not the case.

CARB has received no guarantee that the terminal operators will allow tanks without certification stickers to enter their sites or that terminal employees will be able to use the public-facing website to verify compliance. No matter the outcome, CFCA members and others will still be required to pay for this IT system.

We thank CARB staff for amendments that will establish an open public process for any future fee increases, and we believe this is -- should be standard language for all CARB fees.

While we may disagree about the need for a public-facing website and other items, we all agree that increasing the compliance rate is a top priority. The California Fuels and Convenience Alliance looks forward to working with CARB staff to develop and implement the Compliance Assistance Program.

This program will allow for voluntary tank testing outside of the annual certification process. And with this program, we will be able to identify failing components to better understand why tanks fail and how to prevent failures in the future. By tracking what parts lack the necessary durability, CARB and industry will be able to work together with equipment manufacturers to protect employees and the public from potential quality

risks.

Once again, thank you so much to the staff. They did an excellent job, and we worked very closely on this.

Thank you.

CHAIR NICHOLS: Well, thank you very much.

I was concerned when this was first presented to me that it had been so long since this had been reviewed. And I asked the question how do we move forward in the future in a way that allows for more regular review of the price of the work that we do where you have a direct billing of a cost of enforcement to a regulated industry.

And I think they have given this some thought and I was hoping to hear some further comment on that.

ENFORCEMENT DIVISION CHIEF SAX: Well, so, yeah, the issue of not updating fees is something that's not unique to the cargo tank program.

CHAIR NICHOLS: Right.

ENFORCEMENT DIVISION CHIEF SAX: It is something that we're increasingly sensitive to. And so we're trying to work through it and a number of regulations across the board to try to address fees and increase them to make sure that programs that have a dedicated fee source are actually paying for the programs.

In our own Division, we recently did this with the Portable Equipment Registration Program a few years

ago, and now, we're doing it here with cargo tanks. The approach we've tried to take here is putting a formula in place that allows us to make relatively routine changes without Board approval. It makes it easier and less costly to make those changes, and makes it easier to keep up with small changes in staff costs associated with inflation and stuff like that.

But, you know, like we said, during the process, we did hear about the need for making sure that there are caps and controls on what staff could do independent of Board action. And we've proposed them as part of 15-day changes for this project.

CHAIR NICHOLS: Great. Thank you.

Any comments or questions?

Ms. Berg.

VICE CHAIR BERG: Thank you very much, and thank you, staff. I know you've been working very hard on this. I would like to address the compliance issue, because during my Board briefing, I understood that in looking at this compliance issue, we weren't quite clear on what was causing the noncompliance. For example, was a carrier getting their annual certification? And then the cargo tank was found to be out of compliance.

So is it a testing procedure problem? Do these tanks have a problem during a one-year period. So looking

from a business owner perspective, we set up standards. And if I get something tested on an annual basis, my assumption is then that I'm good to go for a year. But it seems that that assumption might be faulty.

And then to -- I just want to make sure that from a business perspective, that we are setting up realistic clear messages on how people stay in compliance, don't do everything that they've assumed that we've asked them to do, and find themselves out of compliance with the violation. So could you help me with that a little bit.

ENFORCEMENT DIVISION CHIEF SAX: Sure. Absolutely. That's a really good question. When we inspect the cargo tanks, we're looking for several things. First, as a baseline, we're checking to make sure they have stickers, because like Mr. Bayless said, they're checked at the bulk terminals. It's almost always the case that the cargo tanks actually have a sticker.

The certification process is based on often self-testing from the tank operators themselves. The larger fleets will hire their own people to do the tank testing. And the certification is based on submittal of test records to us, that if the certification meets the requirements on paper, then we issue the decal.

So what we're checking in the field is to make sure that those tanks are, in fact, operating in

accordance with the way each of the components in the system should be operating. And the tests that we apply in the field is actually less stringent than the tests that are applied during the certification. So if it's found failing -- if it's found failing in the field, it is a failure.

What we are -- when we went through the public process, one of the things we realized is that there are potentially some durability issues, in addition to the other types of reasons why we might find a tank not operating properly. And so in working with the stakeholders, we proposed the development of a compliance assistance program that could also help identify the potential for failing parts, and then to try to help industry in making sure that those parts are more durable.

And, in fact, in the past, we've provided recommendations to manufacturers, and they have made changes. So that process can work, and we think it will work here again as well.

So we're sensitive to those concerns. But at the same time, we've also done inspections where we've found tanks, for example, being improperly cleaned or not operating improperly, and it seemed to be more of a basic maintenance issue than a failed part. And so we're looking for those types of issues, and then when -- we

deal with them on a case-by-case basis in the context of the enforcement work that we do.

VICE CHAIR BERG: Okay. Thank you very much.

And my last comment is that I agree with Chair Nichols that we need to have a mechanism in place. Certainly cost of living increase seem to be very appropriate. But even a 15 percent -- if I have a department that comes to me with a 15 percent increases in expenses, that is very difficult from running a -- from a business perspective. It's a nonstop, unless it is an income generator.

Well, in our case, it is an income generator. And we walk a very fine line as being a regulator and the perception that we're fleecing industry. And I know that's not what's happening here. But also, if we are behind Mr. Corey on some other things, it would be difficult to have this slough of increases. So I think some probably appropriate management in taking a look at these things to make sure we don't find ourselves behind a PR 8 ball would be a good idea.

Thank you.

CHAIR NICHOLS: Okay. Yes, Mr. Fletcher.

BOARD MEMBER FLETCHER: I just had a quick question. On the slides, it talked about how it goes from the refinery into the cargo tanker, and then the cargo

tanker into the gas station and that -- but then phase 1 of that was the cargo tanker into the gas station. Is there no need to look at the refinery to the cargo tanker?

ENFORCEMENT DIVISION CHIEF SAX: The -- typically refineries transfer fuel to a bulk terminal by pipeline. And then --

BOARD MEMBER FLETCHER: Right. That's right.

ENFORCEMENT DIVISION CHIEF SAX: -- the fuel is dropped off -

BOARD MEMBER FLETCHER: I -- yeah. Go ahead.

ENFORCEMENT DIVISION CHIEF SAX: So the fuel is transferred from the bulk terminal into the cargo tank, the cargo tank drives to the gasoline station, and offloads it at the station.

BOARD MEMBER FLETCHER: Got it. So we get the two points other than the pipeline.

ENFORCEMENT DIVISION CHIEF SAX: Right.

BOARD MEMBER FLETCHER: Okay. Thanks.

CHAIR NICHOLS: All right. No other questions on this side.

Hearing none. Seeing none.

We do have a resolution in front of us, I believe. Well, I guess we officially have to -- I did not officially close the record, so I need to do that. And then to indicate that -- do we have any additional --

yeah, we do, of course. Sorry.

I'm sorry. I'm looking at a old version of this, I guess. So the record will be reopened and there will be a 15-day notice of public availability. And at that point, the public may submit written comments on proposed changes, which will be considered and responded to in the Final Statement of Reasons for the regulation. Written or oral comments received after this hearing date, but before a 15-day notice is issued will not be accepted as part of the official record on this agenda item.

Okay. So the Board has before it Resolution 19-9. Do I have a motion?

VICE CHAIR BERG: So moved.

CHAIR NICHOLS: And a second?

BOARD MEMBER SHERRIFFS: Second.

CHAIR NICHOLS: Second.

All in favor, please say aye?

(Unanimous aye vote.)

CHAIR NICHOLS: Opposed?

Great. Thanks very much. This is a technical, but very important amendment.

And our last item is not a regulatory item. It's an update for the Board about our international programs. So I am going to call our witnesses forward.

Thank you.

The last item on the agenda is Item 19-4-3, an update on the Air Resources Board's international engagement. The Board has decades of experience and expertise in air quality and environmental issues, which are oftentimes sought by other states and countries increasingly. Because of the global nature of our climate change work, as well as increasing recognition of the health effects of air pollution around the world, we have been engaging with governments and private sector entities, businesses, and NGOs around the world. And we're specifically mandated to do that under AB 32, the Global Warming Solutions Act.

So we have visitors coming to us, contacting us for meetings, visits. We have parliamentarians coming to visit us, we have cabinet ministers, and technical people at all levels who are passing through the doorway at ARB. And in return, we gain from this, not only because we are dealing with a global problem, but also because we actually do learn from other countries' experiences in many interesting and sometimes surprising ways, I think.

California's impact is stretching far beyond our borders. And the latest reports from the IPCC, the UN scientific body on climate change, and the federal government really underscore the necessity of global action on climate.

So as our international profile has grown, because of the very nature of the work, it's also become politically more relevant because of the posture of the Trump administration and the repudiation of the Paris agreement. Increasingly, under the last Governor and under our current Governor, we are being looked to as spokespersons for the United States, and all those who are hoping for a positive role and leadership from our country, see in California an example of the kind of leadership that they are hoping for from our country as a whole.

So this is an opportunity here for us to just hear a little bit from staff about what they've been up to, and for the Board to also engage in some comments and questions as well.

I thought about entertaining you with stories about my experiences at the UN COPS, but I think I'll forego that at least and -- maybe until later. And instead, introduce Lauren Sanchez, who we hired. She has had considerable background in working on international climate and environmental policy as a former State Department employee in the Obama administration. She came to us to help work on the Governor's summit last fall. And we were able to persuade her to stay on to continue in this role.

So Lauren, let me turn this over to you.

(Thereupon an overhead presentation was presented as follows.)

INTERNATIONAL POLICY DIRECTOR SANCHEZ: Thank you, Chair Nichols. And good member -- good morning, members of the Board.

The final item on our April agenda is an informational update on the Air Resources Board international engagement. We last presented an update to the Board in early 2017. As California transitions to a new administration under Governor Newsom, I wanted to take this opportunity to revisit our international commitments, give an overview of the way that CARB's expertise supports these goals, and to highlight our priorities for the rest of 2019.

As Chair Nichols mentioned, CARB has been active in various international forums dealing with air pollution for many decades, and more recently with climate change. Our former governors have taken California's leadership to the international stage, engaging in bilateral agreements and multi-lateral coalitions with international partners.

These efforts have been motivated both by the reality of air pollution and climate as global issues and are pursuant to our mandate under AB 32, which directs CARB to facilitate global reductions in greenhouse gases.

As we will outline today, California's impact stretches far beyond our borders. And CARB's international engagement has, for many years, been shaping environmental programs around the world.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: Slide 2 shows the predominant sectors and programs of CARB's international work. My presentation today will touch on some of the examples of the efforts we are doing in each of these four areas. I will note that this presentation is not exhaustive of all of our international engagement, but rather will highlight some of the most impactful work we are leading.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: As Chair Nichols noted foreign government officials have sought CARB expertise on how to tackle climate and clean air while growing their economies. We have welcomed an increasing number of visiting delegations as California's role on the international stage has grown, and we have seen a growing interest in protecting clean air and addressing climate around the world.

Internationally-operating companies pursue the requirements under CARB's Cleaner Air Regulation to ensure products are California compliant prior to be shipped to

the U.S. CARB staff conduct audits of facilities around the world to confirm compliance with our regulations, including inspections of ocean-going vessels that are bound for California's waters.

In addition to hosting visitors, CARB experts participate in international events and dedicate time to ongoing technical exchanges through working groups and task forces pursuant to agreements with international partners.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: Slide 4 is a familiar graph demonstrating that California greenhouse gas emissions per capita have decreased even as GDP and population have increased. We hit our 2020 greenhouse gas reduction goal 4 years early and are on track to meet our AB 32 goals. This decoupling and reduction in carbon intensity of our economy, along with decades of experience addressing air pollution, innovative sector-specific policies, and community scale engagement, along with the world's most stringent environmental protections make our programs a model for the rest of the world.

I will note here that California is only one percent of global greenhouse gas emissions. But as the world's 5th largest economy, our policy and technology

advancement have an outsized impact in the global fight to address greenhouse gases.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: However, as Chair Nichols mentioned, we still have quite a bit to learn from other jurisdictions. Through our engagement, partners share with CARB officials effective programs and policies that are in place elsewhere around the world. This information exchange and collaboration can add to the success of our programs here in California. And given the global nature of vehicles and fuels, our cooperation has important implications for trade and commerce. For example, electric vehicles recently climbed to the State's 7th highest export.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ:

California has an expansive international reach and shares its experiences through both multi-lateral platforms and over 50 bilateral agreements. This map shows the current national and subnational agreements throughout the world. You'll notice a heavy regional emphasis on both the Americas with a focus on cap-and-trade markets and forestry issues, and Asia, where we primarily cooperate on air quality. We also work closely with our European partners on a range of topics.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: CARB hosted over 100 international meetings in 2018. This is a two and a half increase from 2017, illustrating the ever-growing interest in our programs. The pie chart on slide 7 shows the percentage of delegation meetings that fell under each sector.

Oh, I apologize. Clean transportation is around 33, even though it says percentage on the slide.

You'll notice an equal spread across our top 3 areas. And I also wanted to point out an increase in the number of meetings that were requested on specific enforcement components of our regulation. This seems to demonstrate that other countries, which are modeling California's policies are also moving forward with the important steps of regulating and enforcing.

CARB staff host visitors interested in a range of topics across all of our divisions including: heavy-duty vehicle regulations; air monitoring and emissions permitting; alternative fuel development; onshore power; tours of our lab facilities; and many more areas of CARB expertise.

The majority of our visitors come from China, Japan, and the EU, all told, representing 35 different countries last year. Based on numbers thus far in 2019,

we anticipate a similar number of visitors.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: CARB's international work has been motivated in part by the reality of air pollution transport. PM2.5 does not recognize international borders and has been found in the central valley originating from across the Pacific. Because of this transboundary nature, our efforts abroad in mitigating sources of harmful air pollutants can help achieve local air quality results and benefit Californians.

California is a signatory to bilateral agreements specifically dedicated to improving air quality at both the national and regional level. We have seen an increase in interest from large cities suffering with air quality problems, mostly in Asia, who want to learn from how California has tackled these issues over the past 50 years.

Under these agreements, staff in each respective jurisdiction share technical knowledge to support development of robust air quality monitoring, planning, and mitigation efforts. In some cases, CARB has hosted longer term visitors, most recently from Beijing's Environmental Protection Bureau, during which air quality -- California air quality and vehicle emission

standards were translated and later applied to China's air pollution control practice.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: The Air Quality Working Group under the four year MOU with Mexico helps strengthen air quality monitoring through information sharing, audits, and training supported by CARB. Last May, this Board acknowledged the importance of addressing emissions coming across the border from Mexicali. In response, we formed a working group to develop a workplan, in coordination with the Imperial County Air Pollution Control District and appropriate stakeholders on both the California and Mexico sides.

After extensive meetings, the working group developed the Imperial County-Mexicali Air Quality Workplan, which provides an initial assessment of priority areas to focus on in both Imperial County and Mexicali to improve air quality in the border region. As part of work plan development, CARB staff met with City of Mexicali to better understand air quality issues on their side of the border. CARB plans to loan the City of Mexicali 50 air quality sensors to enhance their monitoring capability and to be used as an enforcement screening tool.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: The map

on slide 10 shows 40 emission trading schemes currently in operation in various stages or in various stages of development around the world. All told, this covers around a quarter of global greenhouse gas emissions. Much of the recent national and international discussions on climate solutions have focused on the importance and effectiveness of pricing carbon.

CARB plays a significant role in multi-lateral platforms focused on Cap-and-Trade and emission trading schemes, or ETS, such as the World Bank's Partnership for Market Readiness, the Carbon Pricing Leadership Coalition, and the International Carbon Action Partnership.

Our Cap-and-Trade linkage agreement with Quebec over that past 5 years has demonstrated the benefits of two jurisdictions working closely together to develop and implement cost effective programs. The linking arrangement of our programs provides a framework for additional partners to join and allows to us jointly ensure environmental integrity and stringency of our market.

Building on this collaboration, California and the EU emphasized the need to engage other jurisdictions with similar and emerging programs to foster broader dialogue last fall. Other U.S. states and countries that are contemplating starting carbon market programs look to

CARB's team for guidance on design principles or to discuss approaches to ongoing issues that we are facing here in California.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: The largest carbon market in the world will be officially launched in China next year. Once fully operational, the Chinese emission trading scheme will regulate over 1,700 entities and cover 3 billion tons of carbon dioxide emissions.

Slide 11 shows CARB's involvement and engagement with Chinese entities during the multi-year process of designing and implementing their emission trading scheme. Initially, CARB collaborated with at the provincial level during the development of pilot programs prior to the launch in 2013. We provided information on our program design experience and guidance on reliable reporting and verification protocols.

We have learned that a robust monitoring, reporting and verifying framework is an important foundation to carbon pricing programs and emphasize the necessity of these practices with our Chinese partners.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: Transportation is globally recognized as the

sector responsible for many NOx, PM, and GHG emissions. We are seeing increasing interest from other jurisdictions to develop their own clean fuels programs, and are collaborating closely with them during their program design.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: For example, we meet with representatives from the Brazilian government to help inform the development of their RenovaBio program. In a complex political environment, we have found clean fuels to be a productive channel of technical engagement. We are also working closely with the Canadian national government to provide technical and policy guidance as they design their Clean Fuel Standard. We encourage other governing bodies to collaborate with us as they explore options to decarbonize their transportation sectors.

CARB recognizes the global revolution currently underway towards our zero-emission transportation future and collaborates with other governments through the International ZEV Alliance, the Pacific Coast Collaborative, and other regional efforts to ensure that California plays a leading role in the deployment of ZEVs worldwide.

For example, China, which is responsible for half

of the world's EV market, recently announced that it intends to implement ZEV requirements for auto manufacturers similar to California's ZEV mandate, evidence of expanding benefits of cooperation and information sharing.

Several European countries have higher rates of ZEV adoption and deployment, and wherever relevant, we engage with them to learn what has worked and how their programs might best inform what we do here in California.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ:

Transitioning into climate change and planning for carbon neutrality. As the recent IPCC 1.5 degree report emphasized, the international community needs to look towards goals of carbon neutrality by mid-century. Under our executive order from last fall, CARB is charged with developing a framework to achieve statewide carbon neutrality by 2045.

We are looking for areas where we can learn from and engage with other partners on sectors that we have to tackle, such as transitioning our natural and working lands from a source to a sink.

Long-term planning has been a useful tool here in California, and CARB assists other jurisdictions in developing their own modeling and strategies similar to

our Scoping Plans. On the accounting side, CARB meets with various visiting delegations that want to learn more about CARB's emission inventory process and how to replicate it for their own tracking purposes.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: CARB was a founding member of the Governors' Climate and Forest Task Force, or GCF, in 2008. The GCF is aimed at tackling emissions from tropical deforestation reducing land degradation, and improving land management practices. The map on this slide shows the 38 GCF member states, over one-third of the world's tropical forests states and provinces, including 85 percent of Peru's, more than half of Indonesia's, and all of Brazil's Legal Amazon.

These efforts have also strengthened CARB's collaboration with tribal governments, such as the Yurok Tribe in California and other tribes and Alaska Native Corporations. The Yurok tribal engagement with CARB has helped foster a model of partnership with indigenous peoples and GCF states and provinces that continues to grow.

Last fall, based on a decade of engagement with fellow states, and provinces, and local communities, CARB proposed a Tropical Forest Standard to send a signal that transparent scientifically rigorous methods are available

to incentivize actions to reduce deforestation at scale.

The standard was first heard by this Board in November last year. And based on discussions at that hearing, Assembly Member Garcia has convened a process with several of his colleagues to hear further from opponents and supporters of this standard. We look forward to hearing results from this process.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ:

Short-Lived Climate Pollutants, or SLCPs, including methane, black carbon, and hydrofluorocarbons, or HFCs, are powerful global warming forces. In fall 2018, California became the first state to join the Climate and Clean Air Coalition, the UN body specifically dedicated to addressing SLCP emissions.

Members of the coalition share best practices in reducing these potent gas and particulate emissions, which are inextricably linked to air quality and will provide immediate benefits for global warming.

The U.S. was a founding member of this coalition, but has since abdicated its leadership role. In response, CARB has put increased participation and engagement other countries on our SLCP reduction strategies and effective approaches we are implementing.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: As Chair Nichols outlined, California's role on the international stage has only grown, given the federal administration's posture on climate and foreign policy engagement more broadly. In response to President Trump announcing his intention to withdraw the U.S. from the Paris Agreement former Governor Brown joined Governors Cuomo and Inslee to found the U.S. Climate Alliance. The alliance is a bipartisan coalition of 22 states and Puerto Rico that are committed to upholding the U.S. goals of the Paris agreement.

Through the Alliance, CARB has shared expertise on SLCPs, clean transportation, Cap-and-Trade, and other important State-level issues. As we face a number of federal rollbacks on policies that are important to our clean air and climate goals, close cooperation with our State partners has never been more important.

California's leadership in this Alliance and the We Are Still In coalition demonstrate to the international community and to the private sector that we are committed to a decarbonized future and driving momentum forward on climate action.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: Looking forward to the rest of 2019, CARB will continue to work

with our key international partners to implement effective climate and clean air programs here and abroad. We have a lot of expertise and experience to offer, and many lessons to learn from others.

As I have outlined, we have a lot of technical work to carry forward and strong relationships upon which to build future collaboration. California will also continue to utilize our decades of leadership and expertise in these fields to help our partners implement successful programs in their jurisdictions.

As we continue working towards our climate goals, alongside a long-term vision of climate neutral by 2045, we will continue to consult with global leaders on effective approaches they are taking to decarbonize.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: In addition to a focus on carbon neutrality, we will prioritize working with international partners on natural and working lands this year, while continuing our important cooperation on air quality, clean transportation, and cap-and-trade. In terms of geography, we will focus on relationships across North America with Canada and Mexico, as well as our collaboration with major emitters and important economies, such as China and India.

Governor Newsom recently appointed our Lieutenant

Governor as California's representative on international affairs and trade. The Lieutenant Governor is currently in China, where she is emphasizing the strong relationship that California and China built primarily based on our clean air and climate cooperation.

She will serve as the chair of the recently formed Interagency Committee on International Affairs. And CARB will participate as the leading State agency on air quality and climate issues.

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INTERNATIONAL POLICY DIRECTOR SANCHEZ: I will end my presentation with this great photo of Board Member Sperling as he presented California's commitment to zero-emission vehicles and supporting policies at the China EV 100 Conference.

In closing, I wanted to thank the Board for their ongoing support of CARB's international engagement. It is through the leadership of this Board that California continues to drive progress on the international stage as a model of effective regulations, innovative policies, and rigorous enforcement.

It is the bold actions taken in this very room that will continue to shape climate and clean air programs around the world for decades to come.

Thank you. I know welcome any comments or

questions from the Board

CHAIR NICHOLS: Well, I have to comment initially that you've only featured two of our other Board members --

(Laughter.)

CHAIR NICHOLS: -- in the photographs here, and many others could have been featured. But the one that you chose of Professor Sperling is a great way to end the --

(Laughter.)

CHAIR NICHOLS: -- end this presentation, because he does appear to be either leading in the CARB national anthem or otherwise trying to whip up the crowd with enthusiasm. That's a great photo. I had not seen that one before today.

I want to just say one thing. This may just be sort of showing how everything is linked to everything else. But my most recent international engagement was in the form of addressing a group called the Carbon Pricing Leadership Coalition or Council of the World Bank in Washington D.C. when they had their Spring meeting. And we were the first, and are still one of a handful, of subnational groups that are invited to participate with the World Bank in this important area of carbon pricing, because of our -- because of the fact that we have a

carbon pricing program, our Cap-and-Trade Program.

And as I was listening to the comments of others, most of which were sort of, what should I say, rueful comments about difficulties and delays that they're having in getting their programs going, I was reminded once again about how fortunate we have been in timing and in leadership from the Legislature and our Governor in having pushed us early into tackling some of the really difficult questions about carbon pricing, and the fact that we now have a model that we can hold up to the world.

But one of the features of our program, which is seldom reported on, until you get into a room with people and actually sort of try to explain to them what it is we're doing, is that the politics of these issues are hard. And they're not uniquely easier in California, because we're so green, and so virtuous.

We have difficulties with, let's just say, the fact that people don't inherently respond with enthusiasm to the notion that you're going to charge them money for things that they rely on, like electricity and gasoline.

So when we talk about how we've been able to do what we've done, the main point that I come back to is that early on we were faced with this problem of what to do with the money that was generated from a carbon pricing program, and the initiative was seized early on by

legislative leadership to insist that a very substantial percentage of that money go to our most impacted communities from an air pollution and environmental perspective.

So the link between the local and the global is very real, and it's a financial link. It's that, you know, by taking on this problem of greenhouse gas emissions and doing something about it, we are also actually generating revenue that has been directly, visibly beneficial in communities around our state.

And that's not something that other -- you know, the economists don't tend to talk about that, the diplomats don't tend to talk about that, and yet, I think it's kind of the secret to our success, if there's a secret there. So I just wanted to emphasize that point, because it's really always a question -- certainly, whenever I apply for permission to travel outside the country to go to some event or another, you know, you have to say why it is that this particular event is in the interests of the State of California. We don't get negative pushback on this from the administration or from the Legislature, but there's still always a little bit of a question, you know, are you gallivanting around the globe going to all these fun meetings in polluted places?

(Laughter.)

CHAIR NICHOLS: You know, so I think it's good idea to have, you know, the Board as a whole and whoever is watching this understand that there really is a strategy behind all of it, and that it is something that we're doing, because we think it's a piece of what CARB does to benefit our state.

So Mr. De La Torre, you looked like you were about to say something.

BOARD MEMBER DE LA TORRE: Yeah, I wanted to echo that, particularly on the GHG, but on everything that we do. The challenge is we can't do it by ourselves, right? So as a former legislator, I'm all about California first. And I've spoken from here about various issues where I've said we've got to just take care of ourselves.

But this idea of being a center of best practices to share with the world, which I've done a couple of times, I think is absolutely imperative. And our staff is fantastic at making sure that we do all the right things to get where we need to be, and we're talking to the right people.

But once we're there to share all the things that we do, it blows them away, first of all. And then to say, you know, we're not here to tell you what to do. We're just here to say what we're doing and you can take it or leave it, you know, whatever works for you. They really

appreciate, I think, that kind of messaging.

We're not self-righteous. I don't think anybody on this Board would be when we're out there, or staff. We're just sharing what we do. This is what we're doing and this -- and we think it's working for us. And, you know, you can do it as well. I think that kind of messaging is extremely powerful with public policy.

And, you know, a lot of times we get questions about the politics and, you know, it's California. In fact, I -- when I was in Mexico this -- well, both times, in Monterrey, I said to them -- there's a famous saying in Mexico that I tweaked a little bit. I said, Poor Monterrey, so far from California, so close to Texas.

(Laughter.)

BOARD MEMBER DE LA TORRE: Because they just don't have a good example next door. They've got -- but, you know, they wanted us there to share what we're doing. And I think, you know, in my limited experience in this regard, it's been extremely well received. They appreciate it. They want to know more. Clearly, all of these folks who come here and down to El Monte are wanting to see what we're doing and how we're doing it.

And so I absolutely value this. I think we need to talk more about it over in the building, so that they understand when we're not doing only California stuff,

that it's still furthering our mission.

So thank you.

CHAIR NICHOLS: So maybe turning in this direction, I'm going to call on Mr. Serna who's being quiet down on the end there. But just to point out that air districts are also engaged with us.

BOARD MEMBER SERNA: Yeah, I'm sorry --

CHAIR NICHOLS: I know, but I was -- you didn't have your hand up. I was just trying to keep the conversation flowing. But if you want to jump in right now, you can.

BOARD MEMBER SERNA: No.

(Laughter.)

BOARD MEMBER SERNA: I know we're trying to extend, because I don't think we were supposed to end the whole --

CHAIR NICHOLS: No, no, no. We can cut this meeting short at any point. We have one person who has signed up to comment from the public on this issue also. So go ahead. It's fine.

BOARD MEMBER SHERRIFFS: Yeah. No. Thank you very much for the presentation, the reminder of what this agency is involved in. You know, coming from the Central Valley, a country mouse, these things often -- well, they appear overwhelming to all of us, but it's so important

that we have this example of success and collaboration on moving forward. You know, as was pointed out, no, we can't do this alone. This success depends on every nation stepping up. And as has been commented, it depends on every individual stepping up and really everybody developing a mindfulness about how our day-to-day moment-to-moment decisions matter in this.

And one of the important lessons of that global connection I think is how important local decisions are, and that any agency, public group, volunteer organization that anyone is involved in make decisions that have an impact in this. And we're not just talking about the obvious ones in terms of air boards, or planning commissions, or transit agencies, which are so important and can have such a big effect, but school boards making decisions.

You know, little Fowler, hey, they've got solar. They're, in a sense, energy independent. They have gotten their first electric school bus. You know, parents cannot idle in front of the school anymore while they're waiting, regardless of what the weather is doing.

These kinds of local decisions, hospital administrations, museums, small businesses all make decisions every day that have an impact to support what we're concerned with here, or, in fact, to make the job

even harder.

So that global connection is such an important reminder. I think of the importance of acting locally as well. So I really appreciate seeing our members on the global stage and take a great deal of pride in being involved in an organization that has been able to provide this kind of leadership, and backed by the Governor and Legislature that, in fact, it is a State commitment. And the citizens of California have supported that in so many ways.

CHAIR NICHOLS: Great. Mr. Serna.

BOARD MEMBER SERNA: Chair -- yeah, I think I will chime in here, since I just returned from a recreational trip to South America to Peru and to Argentina. And I think given the subject matter that this Board is charged to address, given the fact that climate change and reducing greenhouse gas emissions is something that is at the forefront of many people's agendas, many governments agendas across the globe, we have a unique opportunity, I think, in an informal capacity when we do travel abroad, and I think, you know, proudly, acknowledge our service on this Board, and proudly acknowledge the terrific staff that are world-renowned.

And more and more, I'm noticing, especially when you have those opportunities to travel abroad, the

interesting conversations that come up when you mention you're from California.

I mean, most recently, of course, it's the Volkswagen lawsuit, that kind of thing. But I think the more that we continue to focus on what is inherently a global issue, the more we're going to, I think whether we like it or not, be those ambassadors globally, when we do travel, whether it's professionally or for pleasure, to help, you know, spread the gospel of what we're doing here.

CHAIR NICHOLS: Um-hmm.

BOARD MEMBER SERNA: And I'm actually very pleased that more than once, while I was gone just for two weeks, the subject of greenhouse gas emissions reductions did come up in kind of leisurely conversations with folks that are outside kind of our professional circle.

So I think we have a inherent responsibility to exploit that in a good way as members of this Board.

CHAIR NICHOLS: Thank you.

I don't need to prolong this conversation. I will call on the one person who signed up to speak. We do have a closed session scheduled for a lunch break, but I think we could have the session, regardless of whether we're eating or not, and break as soon as we're ready to adjourn. And then we will come back. We're not

anticipating any action. It's a briefing by staff about our current legislation -- current litigation, sorry -- our litigation roster. But it's important that we follow the procedure, which is that we don't actually formally adjourn until after the closed session is over. And then someone has to come out and announce whether any action was taken and adjourn the meeting.

So that's how we will proceed here. If there are no additional comments, on the report, we can just hear from Mr. Noyes -- Mr. Graham Noyes, who asked to speak to us about the Low Carbon Fuel Standard.

MR. NOYES: Thanks very much. My name is Graham Noyes. I'm the Executive Director of the Low Carbon Fuels Coalition here to express the strong support of the low carbon fuels industry for the international efforts of the Air Resources Board and staff, and talk about some of the tangible outcomes we're seeing.

The Low Carbon Fuels Coalition is a technology-neutral organization dedicated to the support and expansion of low carbon fuel policies. The Low Carbon Fuel Standard is sort of our model policy. Most of our promotion is on the subnational level, the State level.

Right now, we're locked in Washington State at the edge of either passage or non-passage of the Clean Fuels Program bill up there. But we're also working on

the international stage, to a lesser extent, with Below 50, the World Business Council for Sustainable Development, and other partners, and seeing the effect of this Board's work and staff's work internationally.

I want to recognize the great work Richard Corey, in terms of his support in the U.S. and abroad, and the good work of the Pacific Coast Collaborative in establishing new and valuable policies that really drive the industry forward.

As a result of this, I had the privilege to address the International Energy Agency the beginning of this month at their Renewable Industry Advisory Board. We had some of the top renewable companies from around the world. It was convened by the head of IEA, Fatih Birol, and the lead, Paolo Frankl, of the Renewables Division. And the specific focus of my talk was the Low Carbon Fuel Standard and its benefits in California.

And it was very well received. The feedback from the group and from IEA was that it really is a model policy structure that's been tremendously effective. And from what I heard from some of the participants, like LanzaTech and Novozymes, that was a rare moment of unanimous support for something from a group that usually doesn't get that.

And so we look forward to potential IEA support

for pushing that program forward. We see a couple of specifics coming up. The Clean Energy Ministerial in Vancouver next month, and then the BIO World Congress in Des Moines Iowa, where we're going to participate in this. And then we also have some videos coming out from the Global Climate Action Summit to promote these things.

So thank you again for your work.

CHAIR NICHOLS: Thank you.

So this presentation has been a not-so-subtle commercial for all of the Board Members. And thank you --

(Laughter.)

CHAIR NICHOLS: -- for signing up all of you who meet with the visiting delegations, and who have agreed to travel when asked, and to let you know that you'll probably be hearing more on this topic.

Okay. Shall we then just retreat to our closed session and we'll be back after lunch.

Thanks, everybody.

(Off record: 11:20 a.m.)

(Thereupon the meeting recessed into closed session.)

(Thereupon the meeting reconvened open session.)

(On record: 12:13 p.m.)

CHAIR NICHOLS: I'm back in the hearing room to announce that the Board has concluded the closed session

without taking any action.

And so we are adjourned.

(Thereupon the Air Resources Board meeting adjourned at 12:14 p.m.)

C E R T I F I C A T E O F R E P O R T E R

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Air Resources Board meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of May, 2019.

JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063