September 21, 2010

Mary Nichols
Chairwoman, California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812-2815

Re: Support staff recommended SB 375 targets

Last week the California Major Builders Council (CMBC) and California Building Industry Association (CBIA) wrote you a letter that inserts a good deal of misunderstanding into the process that the California Air Resources Board, its staff, and we, as members of the Regional Targets Advisory Committee (RTAC), have engaged in to assess greenhouse gas reduction targets. This letter clarifies why you should treat the CMBC/CBIA letter and its recommendations with a heavy dose of skepticism.

The Proposed Targets Reflect the Latest Analytical Work from the MPOs and are Based on a Strong Technical Foundation.

Contrary to the CMBC/CBIA claims, your staff's recommended targets are based on the most recent analysis from the MPOs. CMBC/CBIA asserts that "something went terribly wrong between the conclusion of the RTAC process and the release of the California Air Resources Board (CARB) staff's recommended target levels in their August 9, 2010 staff report."

What actually happened is that regional agencies heard from a host of stakeholders, shared information about potential strategies, and in some cases corrected real weaknesses of their models. All of this information was made available at workshops held by MPOs in all of the major regions.

For example, one reason the Bay Area's Metropolitan Transportation Commission (MTC) had underestimated potential reductions was because their existing travel model is unable to identify the impact of regional Transportation Demand Management (TDM) programs such as carpooling, vanpooling and programs to encourage walking and bicycling for short trips. Given that they recently adopted an ambitious TDM program, MTC adjusted their model outputs to account for this shortcoming and brought the potential reductions to their Commissioners in July, 2010. The TDM was estimated to reduce GHGs another 3% by 2035, a goal that is patently realistic. After hearing expert testimony on July 28, 2010, the MTC board voted to approve targets of 7% and 15%, finding that they were not only achievable, but would bring significant health and economic benefits to the region, estimated at $140 million per year in health related savings alone[1].

CMBC/CBIA seems not to understand at all the significant increase in knowledge, information, and model capability that has become available since the spring of 2010, which helps to explain the evolution of the targets. The traditional 4-step transportation model used for the initial

[1] http://apps.mtc.ca.gov/meeting_packet_documents/agenda_1531/7_28_10_Commission_GHG_Targets_Presentation_v1.pdf (Slide 16)

analyses could neither estimate shifts from driving to walk/bicycle/walk-to-transit modes for short distance trips nor assess other changes in driving behavior and thus significantly underestimated vehicle miles traveled (VMT) reductions. Only SACOG had better capability than a 4-step model in the Spring of 2010, which explains why they have maintained since early 2010 that 16% is achievable. **Improvements to the models to make up for these deficiencies helps to explain why higher targets are now considered achievable by the MPOs themselves than those proposed earlier in 2010.**

MTC, SCAG and the San Joaquin Valley's proposed targets are all based on more sophisticated analysis that was conducted since the original May submittals that CMBC/CBIA quotes. **The CMBC/CBIA wants to return to the "preliminary draft targets" for these regions that resulted from significantly inferior analysis based on outmoded models.**

The Proposed Draft Targets are Both Realistic and Achievable, Contrary to CMBC/CBIA's Assertions.

The Sacramento Area Council of Governments (SACOG) has maintained since early 2010 that a target of 16% emissions reduction by 2035 would be reasonable, a fact the CMBC/CBIA chose to ignore in their letter. Staff at SCAG, MTC, and SANDAG have all agreed that targets in the range 13%-16% would be ambitious and achievable, based on sound analytics with the benefit of updated models.

We find it particularly interesting that CMBC/CBIA does not seem to find SACOG's target of 16% or SANDAG's target of 13% unachievable, but focuses all of its efforts on SCAG and MTC. There is absolutely no technical reason to believe that the two regions with the most robust existing transit networks and transit supportive land use patterns—the Bay Area and Southern California—would have any more difficulty reaching these targets than Sacramento and San Diego. Recent, sound analytics show that the 13-16% range is indeed ambitious and achievable for these regions.

CMBC/CBIA tries to use some of the outdated analyses to scare people into opposing these targets. Please see letter from Steve Heminger dated September 20th, 2010 which responds to the more egregious allegations.

There has been a Tremendous Amount of Public Scrutiny.

The charge that the process "was not subject to public scrutiny" is just plain wrong. In addition to a year-long Regional Targets Advisory Committee stakeholder process, CARB held seven additional public workshops around the state in July to gather further input, and the staff report has been available for review and comment for six weeks prior to the CARB meeting this week. In fact CMBC/CBIA wrote its letter as part of your public review process. The MPOs also held public hearings in advance of recommending their targets.

An SCS will be Consistent with Federal and State Planning Requirements.

CMBC/CBIA asserts that a Sustainable Community Strategy (SCS) "must be consistent with current federal and state transportation planning requirements" - which is true - and "must be achievable and cannot be financially constrained"—the latter part of which is not true. In fact, to get adopted into a Regional Transportation Plan (RTP), the SCS must become financially constrained. This may require the RTP to propose reasonably likely new revenues, or the SCS may have to be modified until it becomes fundable from existing resources.

In fact, most existing RTPs already propose substantial new revenues – although they may not do so within their first two years – in later years of their 20-25 year horizons. The SCS may propose to use new revenues differently than current or past RTPs, but that is no reason to raise an alarm about the need for new revenues. Additional investment in walk and bicycle facilities, transit, demand management, and other strategies to reduce GHG emissions may become appropriate as scenarios include more walkable, transit oriented communities that respond to market demand.

Targets Should Not Be Set Unduly Low Simply to Assure No Region Would Have to Conduct an Alternative Planning Strategy.

CMBC/CBIA does raise one valid concern: that if an SCS does not achieve the target, the RTP would have to fall back on an Alternative Planning Strategy (APS). These APS documents would show how the targets could be approved, but might not be implemented.

This is true. And it is feasible that a couple of regions, particularly those whose SCS relies on an aggressive transit strategy that has no reliable funding to operate it, may not meet the final targets and be required to produce an APS. CEQA streamlining benefits would still be available, but only to projects in an APS (instead of the SCS that did not meet the targets).

But this regime makes sense. The whole idea behind the CEQA streamlining benefit is that it would only go towards land uses that definitively move the region towards meaningful GHG reductions – whether in an SCS or APS.

While there is a desire that most regions can meet their targets with the SCS, the RTAC was very clear on this point: targets should not be set low *simply* so that every region would be assured of meeting them with an SCS[2]. Many regions will be updating their RTPs in 2012-2014, which provides time to work out SCS strategies and funding, or consider other strategies brought forth in other regions to replace some that might not be fundable.

Conclusion: CARB Should See Through the Misinformation and Honor the Process.

CMBC/CBIA's recommendations that CARB should jettison the proposed targets before it in favor of earlier, "preliminary draft" targets should be rejected. The targets included in the August 9th CARB staff report are backed by substantial analysis, including a tremendous amount of work and outreach done by the MPOs over the course of the summer.

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[2] http://www.arb.ca.gov/cc/sb375/rtac/report/092909/finalreport.pdf RTAC Report p. 27

CARB's objectives in setting SB375 targets should be to provide that existing planning processes analyze and seriously consider a broad array of strategies to reduce greenhouse gas emissions from transportation, ranging from transportation investments to land use changes and transportation demand management strategies. The final targets should support the adoption of ambitious but achievable plans that yield those real-world emissions reductions over time.

We applaud your staff's hard work on this issue and stand ready to assist as you embark on this path-breaking program.

Sincerely,

Regional Targets Advisory Committee (RTAC) Members:

Stuart Cohen
Executive Director
TransForm

Amanda Eaken
California Transportation Planning Director
Natural Resources Defense Council

Manuel Pastor
Director, Program for Environmental and Regional Equity
University of Southern California[i]

Michael K. Woo
Dean, College of Environmental Design
Cal Poly Pomona[i]

[i]Organizations listed for identification purposes only.