

Strengthening the Voice of Business

BizFed's Member Alliance
 AIA Los Angeles
 Alhambra Chamber
 American Beverage Association
 Antelope Valley Board of Trade
 Apartment Association, California Southern Cities
 Apartment Association of Greater Los Angeles
 Arcadia Association of Realtors
 Arcadia Chamber
 Asian American Business Women Association
 Asian American Economic Development Enterprise
 Asian Business Association
 Association of Independent Commercial Producers Azusa Chamber
 Bell Gardens Chamber
 Beverly Hills Chamber
 Beverly Hills / Greater LA Association of Realtors
 Burbank Association of Realtors
 Burbank Chamber
 Building Industry Association, LA / Ventura Counties
 Building Owners & Managers Association, Greater LA
 CalAsian Chamber
 California Apartment Association, Los Angeles
 California Business Roundtable
 California Cannabis Industry Association
 California Construction Industry and Materials Association
 California Contract Cities Association
 California Consumer Finance Association
 California Fashion Association
 California Grocers Association
 California Hotel & Lodging Association
 California Independent Bankers
 California Independent Petroleum Association
 California Life Sciences Association
 California Metals Coalition
 California Restaurant Association
 California Small Business Alliance
 California Trucking Association
 CALInnovates
 Carson Dominguez Employers Alliance
 Central City Association
 Century City Chamber
 Citrus Valley Association of Realtors
 Coalition for a Prosperous America
 Community Associations Institute, Los Angeles
 Construction Industry Air and Water Quality Coalitions
 Consumer Healthcare Products Association
 Council on Trade and Investment for Filipino Americans
 Culver City Chamber
 Downey Association of Realtors
 Downtown Long Beach Associates
 El Monte/South El Monte Chamber
 Employers Group
 Engineering Contractor's Association
 Entrepreneurs Organization, Los Angeles
 F.A.S.T.-Fixing Angelenos Stuck In Traffic
 Filipino American SEC
 FilmLA
 Foreign Trade Association
 FuturePorts
 FWD.us
 Gateway to LA
 Glendale Association of Realtors
 Glendale Chamber
 Glendora Chamber
 Greater Los Angeles Auto Show
 Greater Lakewood Chamber
 Greater Los Angeles African American Chamber
 Greater Los Angeles New Car Dealers Association
 Harbor Association of Industry and Commerce
 Harbor City / Harbor Gateway Chamber
 Harbor Trucking Association
 Hollywood Chamber
 Hospital Association of Southern California
 Hotel Association of Los Angeles
 Industry Manufacturers Council
 International Warehouse Logistics Association
 Inglewood Airport Area Chamber
 Irwindale Chamber
 Japan Business Association of Southern California
 La Canada Flintridge Chamber
 LA Coastal Area Chamber
 Leadership for Urban Renewal Network
 League of California Cities
 Long Beach Area Chamber
 Los Angeles Area Chamber
 Los Angeles Black MBA Association
 Los Angeles Cleantech Incubators
 Los Angeles County Bicycle Coalition
 Los Angeles County Consumer Affairs
 Los Angeles County Waste Management Association
 Los Angeles Junior Chamber
 Los Angeles Latino Chamber
 Los Angeles Metropolitan Hispanic Chamber
 Malibu Chamber
 Los Angeles Parking Association
 Los Angeles Urban League
 Los Angeles World Affairs Council
 Pacific Palisades Chamber
 Pasadena Chamber
 Pomona Chamber
 Maple Business Council
 Motion Picture Association of America
 MoveLA
 Most Worshipful Hiram Tyre Grand Lodge
 NAIOP Southern California Chapter
 National Alliance for Jobs and Innovation
 National Association of Women Business Owners, LA
 Pacific Merchant Shipping Association
 Pasadena-Foothills Association of Realtors
 Recording Industry Association of America
 Redondo Beach Chamber
 Regional Black - San Fernando Valley Chamber
 Regional Hispanic Chamber
 Regional San Gabriel Valley Chamber
 Rosemead Chamber
 Rotary Club of Los Angeles
 San Gabriel Chamber
 San Gabriel Valley Civic Alliance
 San Gabriel Valley Economic Partnership
 Santa Clarita Valley Economic Development Corp.
 San Pedro Peninsula Chamber
 Santa Monica Chamber
 Santa Monica Junior Chamber
 Small Business Action Committee
 Society of Hispanic Professional Engineers - Los Angeles
 South Asian Business Alliance Network
 South Bay Association of Chambers
 South Bay Association of Realtors
 Southern California Golf Association
 Southern California Grantmakers
 Southern California Minority Supplier Development Council Inc.
 Southern California Water Committee
 Southland Regional Association of Realtors
 South Park Stakeholders Group
 Toluca Lake Chamber
 Torrance Area Chamber
 Town Hall Los Angeles
 Tri-Counties Association of Realtors
 United Chambers San Fernando Valley
 Universal City North Hollywood Chamber
 United States-Mexico Chamber
 U.S. Green Building Council-LA
 Valley Economic Alliance
 Valley Economic Development Center
 Valley Industry & Commerce Association
 Valley International Trade Association
 Vernon Chamber
 Vietnamese American Chamber
 Water Replenishment District
 We Care for Humanity
 West Hollywood Chamber
 West Los Angeles Chamber
 West San Gabriel Valley Association
 Western Manufactured Housing Association
 Westside Council of Chambers
 Western States Petroleum Association
 West Valley/Warner Center Chamber
 Westwood Village Improvement Association
 Wilmington Chamber
 Young Professionals in Energy - LA Chapter
 Youth Business Alliance
 Warner Center Association

July 18, 2016

Clerk of the Board, Air Resources Board
 1001 I Street
 Sacramento, California 95814

Re: California Proposed 2016 State Strategy for the State Implementation Plan

To the California Air Resources Board:

On behalf of the Los Angeles County Businesses Federation (BizFed) - a grassroots alliance of more than 150 top business groups representing 275,000 employers with 3 million employees throughout Los Angeles County - we are writing in response to the California Proposed 2016 State Strategy for the State Implementation Plan (SIP Strategy). Please accept this letter as our formal comments on this matter.

A. The Final SIP Strategy Must Clarify What Regulations Will be Pursued Under the Program Entitled "Further Deployment of Cleaner Technologies."

The Proposed SIP Strategy includes the broad and ambiguous regulatory programs for on- and off-road mobile sources entitled "Further Deployment of Cleaner Technologies," which will provide the single largest share of NOx emission reductions for both 2023 and 2031 in the South Coast Air Basin. Pages 21-23 explain that these action items will seek to deploy cleaner technologies by: 1) enhancing the penetration of cleaner technologies through additional funding, 2) increasing system efficiencies, 3) advocating for further federal actions, and 4) utilizing intelligent transportation systems and emerging autonomous and connected vehicle technologies.

This description lacks any substantive detail about what types of regulations or sources fall within the scope of this action. The business community is unable to ascertain how these activities might affect their operations and this uncertainty significantly impacts their business decisions now. Given that the state has quantified emissions reductions for these measures, potential proposals or concepts are being considered by the state. Therefore, the Final SIP Strategy must be more transparent and provide more substantive detail about the types of regulations and sources the Air Resources Board is considering under these regulatory programs.

B. The Final SIP Strategy Should Strike All Reference to or Suggestions of a Future "Freight Hub" or "Facility Emissions Cap" Regulatory Scheme.

The Proposed SIP Strategy currently states that "As part of the California Sustainable Freight Action Plan, ARB and other State agencies are identifying strategies, developed in partnership with stakeholders, to promote greater efficiencies in the freight transport system and approaches to reduce emissions around **freight hubs**

such as rail yards, seaports, airports, and distribution centers.” (Page 24) (Emphasis added.) Consistent with our comment letter submitted in response to the Draft California Sustainable Freight Action Plan, the Final SIP Strategy must affirmatively reject both the “Freight Hub” and “Facility Emissions Cap” approaches to reducing freight-related emissions. Such regulatory programs directly contradict the freight efficiency and competitiveness goals set forth in Governor Brown’s Executive Order B-32-15 and the aims of the Sustainable Freight Action Plan itself. These programs and those similar in nature – including the “Freight Hub Data Collection” program proposed in the Draft California Sustainable Freight Strategy that would support a freight facility performance target – would unlawfully impose a *de facto* facility emissions cap program. We are concerned that between the SIP Strategy and the California Sustainable Freight Action Plan, the South Coast Air Quality Management District (and possibly other air districts) is being required by the state to impose indirect source review programs.

C. The Final SIP Strategy Should Not Go Beyond What is Necessary to Achieve the Emission Reductions Needed For Attainment Because it Unnecessarily Imposes Costs on Business.

The Proposed SIP Strategy states that it will seek reductions beyond what is necessary for Ozone NAAQS attainment by approximately five percent. (Page 20.) For example, the Proposed SIP Strategy states that due to “the benefits and opportunities for enhancing the penetration of [] cleaner on-road technologies, the State SIP Strategy includes a commitment for **additional reductions** as part of [] further deployment measures” for the South Coast, including “further regulatory development,” incentive programs, and other measures. (Page 20 (emphasis added).) As shown on Page 25, the on- and off-road mobile source regulatory program entitled “Further Deployment of Cleaner Technologies” will provide the single largest share of emission reductions for both 2023 and 2031. By contrast, the Proposed SIP Strategy proposes emission reductions through incentive programs at a markedly lower level. For example, in 2023, more than 90% of NOx reductions from on-road heavy duty vehicles would come from the “Further Deployment of Cleaner Technologies” category and less than 10% would come from incentive funding. (Page 25.)

This is problematic and the Final SIP Strategy must shift this allocation. Additionally, at least some of the measures resulting from this regulatory program are unnecessary for NAAQS attainment purposes, yet they will become federally enforceable requiring local businesses to comply with them. This is compounded by the uncertainty noted above regarding the sources that will be regulated. Moreover, the business community will bear exorbitant costs, possibly into the billions, for regulatory compliance with unknown and unnecessary measures. To address the cost issue, we request that the Final SIP Strategy seek the “additional” reductions through incentive-based programs that facilitate turnover of older fleets and equipment -- **not through regulations**.

D. The Final SIP Strategy Should Remove Its Call for Increased Stationary Source Reductions in the South Coast Air Basin.

Based on data from the South Coast Air Basin, the Proposed SIP Strategy includes a call for more aggressive measures by air districts, stating that stationary source reductions are not keeping up with their “equal share” of reductions compared to the state’s proposed mobile source emission reduction measures. (Pages 13-14.) The Proposed SIP Strategy states that a blanket 80% cut in stationary source emissions for all air districts is necessary to meet the ozone standard. However, the Proposed SIP Strategy does not provide supporting information that demonstrates this is true. Moreover, this level of reductions will force hundreds of businesses to close their doors as existing businesses currently struggle to comply with stationary source regulations. These same businesses are preparing for, and trying to plan for compliance with, the myriad stationary source regulations that are being prepared by the South Coast Air Quality Management District for its 2016 Air Quality Management Plan. BizFed will continue to work with SCAQMD in finalizing the AQMP to ensure that the approved measures

are feasible, adequately consider costs, and avoid forcing businesses to close. But, the blanket 80% reduction in stationary source emissions is not feasible and we urge the Air Resources Board to remove the call for "equal share" reductions at the district level.

E. The Final SIP Strategy for Mobile Sources Should Consider and Allow for Fair Share Reductions across Air Districts.

While the Proposed SIP Strategy calls for an equal share of stationary and mobile source reductions within a district, the Proposed SIP Strategy's mobile source measures fail to do so across districts. The mobile source measures disproportionately and significantly target reductions in Southern California more than any other region. While BizFed recognizes that the South Coast Air Basin is in severe nonattainment for ozone, we request that the Air Resources Board consider the impact of mobile source measures across districts to ensure that the statewide measures are not drafted specifically to regulate emissions in the South Coast. The suite of mobile source measures that will be pursued through 2031 should correspond to and facilitate each district's attainment of the NAAQS.

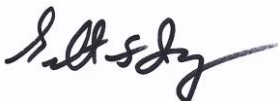
F. The Final SIP Strategy Must Identify All Existing Sources of Incentive Funding And the Gap in Incentive Funding.

BizFed appreciates that the Proposed SIP Strategy discusses incentive opportunities for businesses, particularly the discussion at Pages 22-23. However, we request the Final SIP Strategy do all of the following:

- (1) Specifically outline the existing sources of funds, including annual amounts appropriated for these programs for the past 3 fiscal years, at the statewide and South Coast Air Basin (SCAB) levels;
- (2) Include a forecast of the amounts needed for businesses (statewide and in SCAB) through 2031 to achieve the reductions sought in the Strategy;
- (3) Discuss how the State will seek ongoing legislative appropriations to help businesses comply with mobile and stationary source regulations, which should include a timeline through 2031;
- (4) Acknowledge and set forth a plan of how new sources of funding will be created to help offset the gap in funding for regulatory compliance; and
- (5) Recognize that increased and targeted funding specifically for Southern California is critical to meet the reductions sought in the SIP Strategy.

Thank you for allowing us the opportunity to provide substantive feedback on the draft SIP Strategy. We appreciate your consideration of our viewpoints on this matter.

Sincerely,



Gilbert F. Ivey
BizFed Chair
Former CAO,
Metropolitan Water District



David Fleming
BizFed Founding Chair



Tracy Hernandez
BizFed Founding CEO
IMPOWER, Inc.