



# SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202 • P 209.235.0600 • F 209.235.0438 • www.sj cog.org

July 28, 2017

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

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Dear Chair Nichols,

Thank you for the opportunity to comment on the *Proposed Update to the SB 375 Greenhouse Gas Emissions Reduction Targets*. The San Joaquin Council of Governments (SJCOG) believes that the staff report is unacceptably vague in its proposal of new SB 375 Target recommendations and does not give proper credence to targets set by regional agencies, creating a strong potential for APSs in place of SCSs. SJCOG asks that you accept the targets we proposed in our December 2016 report submittal.

## 1. Pricing / Equity

Statewide pricing policies are a vital component in setting appropriate greenhouse gas targets due to the impact of pricing changes on travel behavior. The ARB staff report does not properly account for the effect of statewide pricing on regional VMT and greenhouse gas emissions. Through stress test calculations prepared by the largest and most urban MPOs in the state, it was shown that a large pricing assumption would be required to affect mode share and generate substantial revenue. The staff report does little to demonstrate how pricing policy will impact counties within the San Joaquin Valley. Further, given that San Joaquin County residents will likely be large contributors to a user-based tax (i.e., many San Joaquin County residents commute to the Bay Area and Sacramento), SJCOG is concerned that an equitable share of this revenue may not find its way back into our region.

The ARB staff report is also unacceptably vague in regard to the state-level strategies that can be used to reduce VMT. The report does not address topics such as creating a new funding mechanism or expanding investments in transit and active transportation. No details are included on the development and implementation of the four state-level strategies identified in the staff report, and only 14 lines of text within a 589 page document are dedicated to this topic. It is necessary for the state to identify additional strategies to reduce VMT in much greater detail to further inform region-level policies and goals.

## 2. SB 1

Throughout the ARB staff report, SB 1 (The Road Repair and Accountability Act of 2017) is consistently referred to as a major funding source for MPOs to tap into for SB 375 projects. While SB 1 is the State's largest transportation investment in decades, use of the majority of these funds for the purpose of SB 375 is simply not feasible; as a majority of these funds are not allocated for new sustainability projects but rather slated for fixing local streets, state highways, transportation infrastructure, and preserving existing transit systems. Additionally, some of SB 1 funds will be administered competitively, which may result in an inequitable distribution of funds among regions.

### 3. Funding Roundtable

There must continue to be an open dialogue between ARB and the MPOs to address final target recommendations, expenditure of Cap and Trade to support MPO SCS efforts, next steps for transportation funding solutions, and equitable policy development. We are concerned at how issues raised at a future roundtable may not be incorporated in time for the target recommendations to be adopted, and hope to continue this discussion with ARB staff as early as possible.

### 4. Rebound Effect

ARB staff recommendation references U.S. EPA's Mid-Term Review in support of ARB's statewide "rebound effect" analysis. The mid-term review's conclusions suggest strong evidence that the rebound effect varies due to a combination of income, fuel costs, and degree of urbanization. Nevertheless, ARB staff's recommendation assumes a one percent impact on targets for all regions. The Valley's December submittal noted an impact ranging from 1-7 percent associated with adjustments to automobile operating costs alone, much higher than the ARB estimation. SJCOG does not believe the studies cited in the ARB staff report properly account for circumstances specific to the Valley, such as economic recovery and socio-economic impacts on fuel-efficient fleet adoption, resulting in a low estimate of rebound effects on greenhouse gas reductions in the region. As such, SJCOG staff believes that ARB's one percent assumption will have a disproportionate impact on the Valley.

### 5. Off-Model Strategies

In the Valley's recommended targets from our December 2016 submittal, SJCOG noted that changes in clean vehicle fleet forecasts, lack of a stable revenue source to fund sustainable transportation projects, and the accounting for economic recovery would substantially affect the extent to which GHG reduction targets could change. In fact, SJCOG made the case that substantial additional effort would be required to simply repeat the achievement level of the 2014 RTP/SCS. As such, provided detail on the various projects and initiatives that go above and beyond existing commitments (including the use of a variety of off-model strategies) to attempt to make up the deficit. These strategies mirrored those outlined in the Strategic Growth Council's "Potential State-Level Strategies to Advance Sustainable, Equitable Communities and Reduce Vehicle Miles of Travel" to demonstrate the SJCOG was making use of all tools available to simply repeat the achievement level of the 2014 RTP/SCS. We believe ARB staff's recommendations exceed the standard of "aggressive yet achievable," and instead represent "aspirational" targets that guarantee failure for many MPOs.

Thank you for the continued dialogue with the California Air Resources Board and staff as this important planning process moves toward finalization.

Sincerely,



Andrew T. Chesley  
Executive Director  
San Joaquin Council of Governments