



July 18, 2016

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RE: 2016 STATE STRATEGY FOR THE STATE IMPLEMENTATION PLAN

To the Interagency Partners:

On behalf of the Los Angeles Area Chamber of Commerce, representing more than 1,650 member organizations and 650,000 employees throughout the region, we are submitting comments in response to the Proposed 2016 State Strategy for the State Implementation Plan (State SIP Strategy). The document seeks to improve air quality through emissions reductions in the mobile sector over the next 15 years through a collection of regulatory and incentive programs.

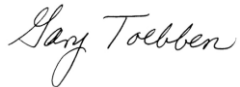
The following comments reflect a broad array of Chamber stakeholder input for your consideration.

- **Mobile Source Strategy:** The plan should be fuel neutral and allow for consumer choice. Although mobile sources – cars, trucks, and myriad off-road equipment – and the fossil fuels that power them are the largest contributors to emissions in California, the transportation sector does not receive the an equal amount of cap and trade dollars for projects, thus creating an inequity of mobile sources contributing and being able to benefit from the program.
- **Economic Analyses:** It is vital that the SIP emphasizes cost-effectiveness so that impacted stakeholders are not operationally or financially overly-burdened. The impact of technology transitions on jobs should be fully analyzed and the SIP should reflect the economic importance of the goods movement industry to the South Coast region.
- **Facility Emission Caps:** We do not support regulatory proposals that will place emissions caps on facility operations. Facility Emissions Caps effectively limit throughput and economic activity, and are contrary to efficiency. This concept is antithetical to supporting California's competitiveness as a global trade gateway and should not be included in the final SIP. Additionally, the Governor has called for an increase in our global competitiveness, a goal that is hard to meet with mandatory vehicle reductions.
- **No Stranded Assets:** The ARB should assure companies that they will be able to fully amortize past and future investments in technology for the useful life of the equipment, avoiding stranded assets. If an industry is required to buy new technology and equipment, they should be permitted to use that equipment for its useful life; sufficient incentive programs will be a critical component to avoid stranded assets and offset the capital and operational costs of low emissions technologies (mobile and stationary).

- **Technology Dependability:** The success of new technologies must be proven safe and reliable prior to mandatory implementation to ensure the supply chain system continues to deliver a product that meets customer, community, and regulatory needs.

The SIP's economic and environmental analyses, and implementation of mobile source strategy should reflect multiple facets, including impacted industries and the overall economy. Working together with the business community, we believe the state can reduce emissions and work towards improved air quality for all Californians, while maintaining our economic competitiveness. Thank you for your efforts. We look forward to continue working with you.

Sincerely,

A handwritten signature in cursive script that reads "Gary Toebben".

Gary Toebben
President & CEO

