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MEETING

STATE OF CALIFORNIA
AIR RESOURCES BOARD

JOE SERNA, JR. BUILDING
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
BYRON SHER AUDITORIUM, SECOND FLOOR
1001 I STREET
SACRAMENTO, CALIFORNIA

THURSDAY, FEBRUARY 24, 2011
9:00 A.M.

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1 APPEARANCES

2
3 BOARD MEMBERS

4 Ms. Mary Nichols, Chairperson

5 Ms. Sandra Berg

6 Ms. Doreene D'Adamo

7 Mr. Ronald O. Loveridge

8 Mrs. Barbara Riordan

9 Mr. Ron Roberts

10 Dr. Daniel Sperling

11 Mr. Ken Yeager

12
13 STAFF

14 Mr. James Goldstene, Executive Officer

15 Ms. La Ronda Bowen, Ombudsman

16 Mr. Tom Cackette, Chief Deputy Executive Officer

17 Mr. Bob Fletcher, Deputy Executive Officer

18 Ms. Ellen Peter, Chief Counsel

19 Ms. Lynn Terry, Deputy Executive Officer

20 Ms. Mary Alice Morency, Board Clerk

21 Ms. Susan Fischer, Climate Action and Research Planning

22 Ms. Terry Roberts, Local Government Strategies Section

23
24
25

1 APPEARANCES CONTINUED

2 ALSO PRESENT

3 Mr. Patrick Berger, California Public Interest Research
4 Group

5 Mr. Louie Brown, National Biodiesel Board

6 Mr. Michael Friedman, EZ Flow Nozzle

7 Ms. Connie Gallippi, California Infill Builders

8 Ms. Bonnie Holmes-Gen, American Lung Association

9 Mr. Chung Liu, RSC Committee Member

10 Mr. Jim Lyons, Poet, LLC

11 Ms. Rachel Morello-Frosch, RSC Committee Member

12 Mr. Robert Naylor, Los Angeles County Metropolitan
13 Transportation Authority

14 Ms. Suzanne Paulson, RSC Committee Member

15 Mr. Miguel Sivla, Oakland Truckers

16 Ms. Tracy Thatcher, RSC Committee Member

17 Mr. Steve Unnasch, Life Cycle Associates
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PROCEEDINGS

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2 CHAIRPERSON NICHOLS: Good morning, everybody.
3 And welcome to the February 24th public meeting of the Air
4 Resources Board. The meeting will come to order.

5 I'm pleased to say we have a quiet agenda today,
6 but a lot of really interesting and good substance to
7 discuss.

8 Before we begin, we will please all rise and say
9 the Pledge of Allegiance.

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

12 CHAIRPERSON NICHOLS: Thank you.

13 The Clerk will please call the roll.

14 BOARD CLERK MORENCY: Dr. Balmes?

15 Ms. Berg?

16 BOARD MEMBER BERG: Here.

17 BOARD CLERK MORENCY: Ms. D'Adamo?

18 BOARD MEMBER D'ADAMO: Here.

19 BOARD CLERK MORENCY: Ms. Kennard?

20 Mayor Loveridge?

21 Mrs. Riordan?

22 BOARD MEMBER RIORDAN: Here.

23 BOARD CLERK MORENCY: Supervisor Roberts?

24 BOARD MEMBER ROBERTS: Here.

25 BOARD CLERK MORENCY: Professor Sperling?

1 BOARD MEMBER SPERLING: Here.

2 BOARD CLERK MORENCY: Dr. Telles?

3 Supervisor Yeager?

4 BOARD MEMBER YEAGER: Here.

5 BOARD CLERK MORENCY: Chairman Nichols?

6 CHAIRPERSON NICHOLS: Here.

7 BOARD CLERK MORENCY: Madam Chairman, we have a
8 quorum.

9 CHAIRPERSON NICHOLS: Thank you very much.

10 Dr. Balmes was particularly sorry not to be able
11 to be here, but he is at a research conference. I believe
12 it's in Chicago. He's out of the state.

13 We got word from Dr. Telles yesterday that his
14 schedule as a physician prevented him from being with us
15 today.

16 And I know that Mayor Loveridge is planning to
17 join us later this morning.

18 So we do have a quorum and more than a quorum for
19 this very interesting meeting.

20 But before we begin, I have a couple of
21 announcements that I want to make. Anyone who wants to
22 testify, if you are not familiar with our procedures,
23 should sign up with the staff out in the lobby outside the
24 auditorium. And we request, but you're not required, to
25 put your name on the speaker card. We're planning on

1 observing our three-minute time limit as usual today.
2 Although, given the rather relaxed schedule we're on, we
3 may allow a little bit of indulgence in that area.

4 I also have a great pleasure and privilege this
5 morning of recognizing one of our own Board members for an
6 accomplishment, which she probably wishes we weren't going
7 to mention the number of. But we have a Board member
8 who's actually served the State of California as a member
9 of the Air Resources Board for 20 years. And this is her
10 20th anniversary of her having originally been appointed
11 to the Air Resources Board. And so being a State agency,
12 we don't have anything exciting like gold watches or
13 anything like that, but we do have Resolutions. And we
14 very much wanted to honor this occasion. So I'd like to
15 actually read this Resolution, and then I'll present the
16 official version of it.

17 The resolution is as follows. And it's
18 Resolution 11-1, because it's our first Resolution of the
19 year 2011.

20 "Whereas, on the occasion of February, 8th, 2011,
21 Mrs. Barbara Riordan reached an unprecedented
22 accomplishment of serving 20 consecutive years on the
23 California Air Resources Board.

24 "Whereas, during this tenure, Mrs. Riordan served
25 with unequal commitment to improving air quality for the

1 citizens of California, while faithfully representing her
2 constituents in the San Bernardino region.

3 "Whereas, Mrs. Riordan has effectively
4 represented the interests of small and mid-sized Air
5 Pollution Control and Air Quality Management Districts
6 within California.

7 "Whereas, Mrs. Riordan has served four Governors,
8 seven Board Chairmen, and with 35 Board members and four
9 Executive Officers" -- wearing them all out -- "providing
10 sound and well respected advise and counsel to all.

11 "Whereas, Mrs. Riordan has also been appointed as
12 an interim or Acting Chairman of the Board three times,
13 each time ensuring that the Board's commitment to clean
14 air and a healthy economy continued uninterrupted.

15 "Whereas, air quality over the last 20 years has
16 improved dramatically in all areas of California.

17 "Whereas, the Board's programs are often emulated
18 worldwide, resulting in improved public health and higher
19 focus paid to such issues an environmental justice and
20 land issues.

21 "And whereas, Mrs. Riordan has earned the respect
22 of her peers and the broad range of stakeholders that
23 interact with the Board through her calm and graceful
24 manner, her common sense approach to improving air quality
25 while considering the impacts on the economy on the State,

1 and her unparalleled ability to empathize and communicate
2 with affected businesses and individuals.

3 "Therefore, be it resolved, Mrs. Riordan's fellow
4 Board members provide a heartfelt thank you to Mrs.
5 Riordan for her years of exemplary service and
6 long-standing commitment to improving air quality for the
7 people of the great state of California, presented" -- et
8 cetera.

9 And this Resolution is endorsed unanimously by
10 all of my fellow Board members. So thank you very much.

11 (Applause)

12 BOARD MEMBER RIORDAN: Thank you. That's very
13 kind of you.

14 And I had hoped to say under the radar and not
15 have to recognize the number of years, only because I'm a
16 lady and we never like to acknowledge our age.

17 Just to let you know, there are two Chairmen
18 seated in the audience. They still hopefully speak to me;
19 Bob Sawyer and John Dunlap. Hopefully -- Chairman
20 Nichols, I didn't go through so many Chairmen by choice.
21 It was more of a happenstance.

22 But I just want to say how much I appreciate the
23 fact that I have been able to serve all these years and to
24 have had a staff that is totally outstanding. And I think
25 those of us who serve on this Board really need to say

1 thank you to the staff that really do the work for us. We
2 sometimes get the recognition, but we really need to
3 recognize them.

4 So I'm very happy to accept this. Don't want to
5 recognize all those years, but do want to say thank you to
6 the staff and to my many Board members. And we've had
7 some wonderful years, some wonderful Board members. Some
8 of them have been real characters. Those have all been in
9 the past. Not today. Not today. But many in the past
10 have been wonderful characters that I thoroughly enjoyed
11 serving with. So thank you.

12 CHAIRPERSON NICHOLS: You're very welcome.

13 And speaking of the staff, I do also have for you
14 another plaque. This one comes from our staff and it's
15 beautifully prepared. And it recognizes you for reducing
16 640,000 tons per year of air pollution. So take that.

17 (Applause)

18 BOARD MEMBER RIORDAN: Thank you. Well, that's
19 just a credit to them, too. That's a lot of pollution.

20 So when anybody asks me what I've been doing for
21 the last 20 years, I can point to this. Thank you.

22 CHAIRPERSON NICHOLS: Point to your plaque.

23 And then last, but definitely not least, I
24 believe we also have a presentation from CAPCOA, who would
25 also like to speak.

1 MR. KOYAMA: Good morning. Thank you very much.
2 I'm Ken Koyamo. I'm the new Executive Director of CAPCOA.

3 We earlier this month passed a resolution also
4 for Barbara Riordan. I'd like to read it, if I may. A
5 Resolution from the California Air Pollution Control
6 Officers Association.

7 "Whereas, Barbara Riordan was appointed to the
8 California Air Resources Board by Governor Pete Wilson in
9 1991 and re-appointed by Governor Arnold Schwarzenegger in
10 2004;

11 "And whereas, Barbara Riordan has worked
12 tirelessly to implement ARB's mission of promoting and
13 protecting public health and welfare;

14 "And whereas, Barbara Riordan has served as a
15 member of the Board for the California Air Resources Board
16 for 20 years, and in doing so, represents the longest
17 consecutive appointment tenure in the history of the Air
18 Resources Board;

19 "And whereas, Barbara Riordan has been a
20 prominent proponent of the reduction of statewide mobile
21 source emissions for countless numbers of ARB regulations
22 over the years to reduce such emissions and improve air
23 quality throughout the state;

24 "And whereas, the CAPCOA Board of Directors
25 wishes to honor Barbara Riordan for her longstanding

1 contributions to improved air quality resulting in more
2 healthful air quality conditions for tens of millions of
3 Californians.

4 "Now, therefore be it resolved, that the
5 California Air Pollution Control Officers Association
6 hereby recognizes Barbara Riordan for her distinguished
7 20 years of service to the ARB and her leadership,
8 dedication, and commitment to the cause of clean air in
9 California and expresses the Association's appreciation
10 through this resolution adopted February 11th, 2011."

11 Signed Thomas Christofk, president of CAPCOA.

12 BOARD MEMBER RIORDAN: Thank you very much.

13 (Applause)

14 CHAIRPERSON NICHOLS: Barbara and I have a little
15 rivalry of statistics going on here. I haven't served as
16 long as Barbara has on the ARB, but I have been appointed
17 three times and twice by the same Governors. And
18 Supervisor Roberts here has a little bit of statistical
19 distinction, too.

20 BOARD MEMBER ROBERTS: Earlier this morning,
21 completely unrelated to this, Barbara and I were talking.
22 And she just casually threw out a reference to 2020. And
23 when she said it, I was thinking, there's not many people
24 around who would even know what she's talking about.
25 We're not talking about the TV show. But it was the old

1 building that we were in many years ago. And she was
2 wondering if it was still unrented. And maybe somebody
3 knows that.

4 But I think because of her attempts to train me
5 over 16 years and maybe her longest reigning project on
6 the Air Board, I would say that with affection and
7 respect, because the work she's done -- especially when
8 she's weighed in on an interim basis on those periods
9 where we didn't have someone with experience to Chair the
10 Board, she deserves a lot of credit and recognition.

11 BOARD MEMBER RIORDAN: Thank you.

12 BOARD MEMBER ROBERTS: Of course, as a County
13 Supervisor for many of those years, I'm always
14 appreciative that you've done the work.

15 CHAIRPERSON NICHOLS: Whenever I hear about
16 people -- thank you. I agree with you.

17 Whenever I hear about people who are making a
18 career and a fortune in crisis management, I think about
19 people like Barbara who's done it for years without making
20 any extra pay as a result of doing it either. Really
21 remarkable service.

22 BOARD MEMBER RIORDAN: Thank you.

23 CHAIRPERSON NICHOLS: Okay. Well, we do actually
24 have a Board meeting today. I just wanted to say a word
25 about the schedule. We are going to take a break sometime

1 around the noon hour and have an executive session today.
2 And we intend to be done by 2:00 because there is an
3 Executive Officer hearing taking place in this room at
4 2:00; is that correct?

5 EXECUTIVE OFFICER GOLDSTONE: That's correct.

6 CHAIRPERSON NICHOLS: If it started late, it
7 wouldn't be the end of the world.

8 EXECUTIVE OFFICER GOLDSTONE: Just can't start
9 before that.

10 CHAIRPERSON NICHOLS: So that is the plan. Okay.

11 So the first item before us this morning is a
12 joint meeting with the members of our Research Screening
13 Committee, and we're very pleased that we've been able to
14 welcome some of the members of that Committee to our
15 meeting.

16 ARB's Research Program has been an integral part
17 of our mission from the very beginning. And the research
18 that we, ourselves, have sponsored, although it's only a
19 part of the scientific basis for our programs, has
20 provided some very key information that has been
21 integrated into our work.

22 Today's meeting is an opportunity for the Board
23 to engage with the Screening Committee in a discussion
24 about our priorities and themes for the future. Our
25 research interests are shared by many other state, local,

1 and federal organizations. And in fact, the reason why
2 Dr. Balmes is not with us today is because he's attending
3 a U.S. EPA workshop on multi-pollutant risk assessment,
4 which is an issue that has been very close to his own
5 personal research agenda and is of great interest to the
6 Board as well since we're well aware of the fact that
7 people don't breathe one pollutant at a time and yet our
8 tools for regulating air are very focused on individual
9 pollutants.

10 The kind of opportunity that Dr. Balmes is
11 engaged in today is critical to our efforts at the state
12 level, because it enables us to leverage our very limited
13 research funds through influencing the research priorities
14 of other agencies and institutions. So I wanted to extend
15 my thanks to all of the members of the Research Screening
16 Committee and a special thanks to those who have been able
17 to travel here today to participate in the discussion.

18 I'm aware of the fact that the members of this
19 Committee spend many hours reviewing research proposals
20 and draft reports, and their input makes a critical
21 difference in the selection of projects and in the quality
22 of the final products of our research.

23 So I'm going to ask James Goldstene to present
24 this item, and then we'll turn to a discussion.

25 EXECUTIVE OFFICER GOLDSTENE: Thank you, Chairman

1 Nichols.

2 Each year, the Board approves an annual research
3 plan which reflects priorities and ARB's multi year
4 strategic plan for research. We last updated the
5 strategic plan for research in 2003.

6 Today's presentation will start with an overview
7 of key research areas and findings from the 2003 plan.
8 Then staff will suggest some topics for Board discussion,
9 but we also expect the Board and RSC members to have
10 additional ideas. To prepare for today's meeting, staff
11 consulted with Dr. Balmes and Professor Sperling who
12 helped us get this started.

13 After the staff presentation, we'll open the
14 discussion to the Research Screening Committee and members
15 of the Board. We are honored to have four members of the
16 Committee with us here today. I'd like to recognize each
17 of them. First, Dr. Chung Liu from the South Coast Air
18 Quality Management District, who's an expert in air
19 quality modeling and technology advancement. Next is
20 Professor Rachel Morello-Frosch from the University of
21 California at Berkeley who is an expert on environmental
22 health and environmental justice. We also have Professor
23 Suzanne Paulson from UCLA who is an expert in atmospheric
24 chemistry, and Professor Tracy Thatcher from CalPoly San
25 Luis Obispo, who is an expert in indoor air pollution.

1 Although not all Committee members could be with
2 us today, a conference call several weeks ago allowed them
3 to contribute ideas which are reflected in the staff
4 presentation. The Chairman of the Research Screening
5 Committee, Professor Harold Cota from CalPoly San Luis
6 Obispo was planning to be here but was unable to attend at
7 the last minute. However, he has provided a letter which
8 each of you have in front of you.

9 Dr. Susan Fischer of the Research Division will
10 now continue the staff presentation. Dr. Fischer.

11 (Thereupon an overhead presentation was
12 presented as follows.)

13 DR. FISCHER: Good morning, Chairman Nichols and
14 members of the Board.

15 We're delighted to meet jointly with the Board
16 and the Research Screening Committee regarding strategic
17 use of ARB's modest but influential research program to
18 support the Board's decision making and implementation.

19 --o0o--

20 DR. FISCHER: To set the stage for this morning's
21 discussion, I'll present an overview of our previous
22 strategic research plan, followed by some topics to
23 consider as we move forward. The results of today's
24 meeting will be used to update our strategic plan and will
25 guide the development process for the next annual research

1 plan.

2 --o0o--

3 DR. FISCHER: I'll begin with an overview of the
4 previous strategic plan, which was originally developed in
5 2000 and then updated in 2003, serving as a road map for
6 the past ten years of ARB funded research.

7 --o0o--

8 DR. FISCHER: The previous strategic plan
9 identified four broad regulatory priorities as drivers of
10 ARB's research program:

11 First, getting a better understanding of PM
12 exposures, health risks and emission reduction strategies;

13 Secondly, characterizing and reducing community
14 air pollution exposures;

15 Thirdly, investigating how global transport of
16 air pollution and climate change affect California's air
17 quality;

18 And fourth, promoting advancement and acceptance
19 of clean technologies.

20 --o0o--

21 DR. FISCHER: In 1998, U.S. EPA established the
22 first PM2.5 standards in the world. Research results that
23 support protecting California's public health from
24 particulate matter air pollution include: Studies that
25 helped establish the biological mechanisms explaining

1 PM2.5 related premature deaths and contributed to new
2 health-protective air quality standards.

3 ARB also funded studies that offer technical
4 support for attaining strict PM2.5 standards, as well as
5 emissions estimates to support goods movement and diesel
6 control plans.

7 Currently, ARB is working with research partners
8 to identify the most toxic species of PM2.5 so that we can
9 cost effectively protect public health by targeting the
10 most critical sources for emissions reductions. ARB is
11 also engaged in research to verify the effectiveness of
12 diesel emissions controls.

13 --o0o--

14 DR. FISCHER: Recognize the goal of reducing
15 exposures to communities near sources of pollution, our
16 research included studies to evaluate the impact of
17 traffic on air pollution exposures and support land use
18 guidance. We've also conducted research to clarify the
19 impacts of air pollution on vulnerable populations such as
20 children, the elderly, and those with low socioeconomic
21 status, who often are exposed to multiple sources. And
22 we've investigated indoor exposures and sources. This
23 indoor air research found high exposures to formaldehyde
24 and ozone, prompting health protecting regulations of
25 composite wood products and air cleaners.

1 Continuing research to support the understanding
2 and mitigation of community air pollution exposures
3 includes assessment of how neighborhood risks from toxic
4 air pollutants vary in space and time, as well as studies
5 of how ultra fine particles, semi volatile compounds and
6 indoor air chemistry affect Californians exposures to air
7 pollution. These activities support our public health
8 goals and also our commitment to consider environmental
9 justice implications of air pollution exposures.

10 --o0o--

11 DR. FISCHER: Our year 2000 strategic research
12 plan focused global air pollution research on the impact
13 of air pollutant transport across the Pacific. In
14 response to the signing of AB 1493 in 2002, ARB revised
15 its strategic plan to include research related to climate
16 change.

17 With the signing of AB 32 in 2006, ARB's research
18 portfolio farther expanded. Research accomplishments
19 under the previous strategic plan include quantification
20 of impacts of Asia dust on PM2.5 in California. Also,
21 field collaborations with NASA and NOAA gave ARB access to
22 aircraft that collected data over the Pacific to inform
23 boundary conditions for modeling.

24 Multiple research projects provide a direct
25 regulatory support and economic analysis for the AB 1493

1 greenhouse gas regulations and AB 32 emissions reduction
2 measures, such as several refrigerant rules.

3 Several research projects projected future heat
4 waves and air pollution episodes for Climate Action Team
5 reports. Ongoing research related to global air pollution
6 issues and climate change include efforts to verify
7 emissions reductions through mobile monitoring, networks
8 of ambient monitors, and sophisticated modeling. To help
9 inform the integration of climate and criteria air
10 pollution control, ARB's highly leveraged collaboration
11 with NOAA, the Cal NEXT 2010 field study has enabled
12 investigation of the impact of air quality and climate
13 change on each other. This research enables more
14 effective planning efforts.

15 --o0o--

16 DR. FISCHER: Another key issue identified in the
17 last strategic plan is promoting clean technology to
18 enable low and zero emissions transportation and energy
19 systems. ARB's contributions in this area include
20 supporting demonstrations of efforts that led to
21 commercialization of more than ten clean technologies,
22 including airport ground support equipment, control of
23 boiler NOx emissions, and an electrically re-generated
24 diesel PM filter.

25 Ongoing State programs to promote clean air

1 technology include the Carl Moyer program, which offers
2 grants to help Californians finance heavy duty-vehicles
3 that are cleaner than required. Public interest energy
4 research supports energy services that are environmentally
5 sound, reliable, and affordable. And AB 118 directs the
6 State to invest in renewable fuels and vehicle
7 technologies that are aligned with clean air and
8 greenhouse gas emissions reductions.

9 --o0o--

10 DR. FISCHER: Now I'd like to introduce some of
11 the ideas for future research areas that have been
12 generated from discussion with the Board members, the
13 Research Screening Committee, and staff from multiple
14 divisions in ARB.

15 --o0o--

16 DR. FISCHER: ARB's regulatory responsibilities
17 are continuing to evolve. As we move forward to meet
18 these challenges, over the next five to ten years, some
19 issues that will face the Board include: Integrating
20 control programs so that we can meet both air quality and
21 climate change goals, meeting long-term climate change
22 goals, protecting human health by continuing to reduce air
23 pollution exposures, evaluating the benefits of air
24 pollution rules, and enhancing economic analyses.

25 --o0o--

1 DR. FISCHER: As we enter the next phase of
2 strategic planning, it will be important to integrate our
3 programs. In compliance with the Clean Air Act, the Board
4 has historically addressed exposure to criteria pollutants
5 one pollutant at a time. But since people are exposed to
6 a mixture of pollutants, we will benefit by expanding
7 health assessments to consider the effects of exposures to
8 multiple pollutants.

9 Controlling criteria pollutants as well as
10 greenhouse gas emissions will require an integrated view
11 of energy policy, land use, and transportation planning.

12 We must also work closely with the federal,
13 State, and local governments to integrate criteria and
14 climate control strategies. These partnerships allow ARB
15 to leverage and enhance available resources and maximize
16 efforts. ARB's research program can help form the
17 foundation for effective policy decisions by filling
18 critical gaps in the assessment of multi-pollutant
19 exposures, identifying co-benefits of emissions reduction
20 strategies, and supporting development of comprehensive
21 strategies to put us on the path towards clean air in
22 communities at the regional level and globally.

23 --o0o--

24 DR. FISCHER: While many programs are already in
25 place to help us reach the 2020 greenhouse gas emissions

1 reductions goals, the State has a longer term goal of 80
2 percent emissions reductions by 2050. A strong program of
3 federal climate change research focuses on national-level
4 impacts and policies. However, potential cut-backs to
5 national research programs may impede these efforts.
6 California climate policy is moving quickly, and ARB needs
7 to ensure that no matter what happens at the national
8 level in the near term, we have the tools to meet our
9 targets through options that work for the State. We need
10 to confirm that mitigation strategies are working through
11 verification programs.

12 At the same time, we need to ensure that there
13 are options to cost effectively meet our long-term goals
14 by focusing on research into emerging low-carbon energy
15 technology and its viabilities in the State and in
16 coordination with other agencies. ARB will also build on
17 our history of encouraging cleaner fuels by researching
18 advanced fuel technology.

19 Behavioral strategies will also play a crucial
20 role in long-term climate efforts. Understanding climate
21 behavior can help to ensure the success of
22 technology-based mitigation strategies. Understanding
23 behavior can also play a role in mitigation strategies
24 involving the way we use energy, choose our housing, and
25 travel. California's climate is already changing, so

1 strategies to mitigate change through sustainable
2 community design may benefit from tools that incorporate
3 adaptation needs.

4 --o0o--

5 DR. FISCHER: A strong body of scientific
6 research supported by universities, federal programs, and
7 other funding agencies has established links between
8 criteria air pollution and adverse health effects.
9 Questions remain to be answered regarding, for example,
10 mechanisms of ozone associated premature mortality and
11 risks from low level exposures to hazardous air
12 pollutants. Areas that warrant attention from the State's
13 air pollution research program include: Quantifying
14 regional, local, and indoor exposures and links between
15 them; clarifying the role of ultra fine PM on exposures in
16 the state; identifying which pollutants are the most
17 health damaging and which sources should be targeted for
18 cost-effective control.

19 --o0o--

20 DR. FISCHER: As we work to attain increasingly
21 stringent air quality standards, some of which require
22 costly controls, it is imperative to systematically
23 evaluate how well rules are working to protect public
24 health. Several field studies in recent years confirm
25 benefits of ARB rules, including studies showing that near

1 roadway exposures are being reduced near ports of Los
2 Angeles and Long Beach due to drayage truck and port
3 rules.

4 ARB has also worked on tunnel studies confirming
5 that emissions control efforts are, in fact, reducing
6 vehicle emission in the state.

7 In the coming years, we'll need to continue
8 tracking our progress and developing new cost-effective
9 tools to measure results of our rules. Much of this work
10 will be done through in-house research. For example,
11 we'll develop improved technologies for ambient and
12 near-source monitoring, modeling tools to inventory
13 previously unrecognized sources, and better understandings
14 of the vehicle exhaust from newer technologies and fuels.

15 In addition to the direct benefits of our rules,
16 we need to identify and account for co-benefits.
17 ARB-funded research recently demonstrated such ancillary
18 benefits by demonstrating that diesel emissions controls
19 are reducing regional climate warming from black carbon.

20 --o0o--

21 DR. FISCHER: Another one of our priorities in
22 the coming years is to ensure that we are using
23 state-of-the-science methods in our economic analyses.
24 One way we intend to accomplish this is with our new ARB
25 economics fellowship program. Starting this summer, we

1 about five million to seven million per year to cover
2 research ranging from emissions controls, atmospheric
3 science, health and exposure, and climate change.

4 Accordingly, ARB must focus its funds on areas
5 with direct implications for protecting California's
6 public health and continue to ensure that our research
7 portfolio is substantially leveraged.

8 Over the past ten years, we have Secured roughly
9 three dollars in external leveraging per dollar spent by
10 the State. Leveraged funds include direct co-funding,
11 in-kind resources, and access to facilitates, equipment,
12 and data sets.

13 In addition to leveraging resources, returns on
14 our research funds have been enhanced when they serve as
15 seed money to initiate larger efforts. For example, the
16 National Institute of Health now funds the Children's
17 Health Study, which was originally funded by ARB.

18 ARB's Research Program, with its unique statutory
19 responsibility to conduct air pollution research, has
20 benefited from the lowest overhead rates available with
21 California's universities. This low overhead ensures that
22 our funds are used for actual research rather than
23 administration, and it has been key to ARB's achievements.
24 ARB, the Department of General Services, and public
25 university representatives are currently negotiating

1 whether ARB will continue to receive these low overhead
2 rates for its air pollution research.

3 --o0o--

4 DR. FISCHER: ARB's Research Program provides the
5 scientific basis for many of the Board's activities, but
6 also has a number of valuable co-benefits. The vast
7 majority of ARB's research funding goes to support
8 researchers and graduate students at California
9 universities. Many of these individuals become nationally
10 and internationally recognized experts in the field of air
11 quality, going on to serve in leading positions in
12 academia, government, and industry.

13 Also, ARB's Research Program has supported the
14 development of a number of new scientific instruments and
15 methods that have allowed us to better understand sources
16 of air pollution and how to control them most cost
17 effectively.

18 The combination of scientific expertise and
19 technological development fostered by ARB's research
20 funding has enabled the growth of many California
21 companies involved in air pollution control and clean
22 technology.

23 --o0o--

24 DR. FISCHER: Given the breadth of ARB's
25 regulatory responsibilities and the very limited funding

1 for its research program, it is important that the
2 Research Program's influence extends beyond research that
3 it can directly fund. We've already discussed several
4 ideas internally as well as with the Board and the
5 Research Screening Committee.

6 One key strategy will be improving accessibility
7 of our research results to audiences that include
8 researchers, regulators, and the lay public.

9 We would also like to build stronger partnerships
10 with air districts. Since many funding institutions and
11 researchers would like to address policy relevant
12 questions, it is essential that we communicate our
13 priorities to other funding institutions. We must
14 continue to pursue research partnerships, such as those
15 exemplified by our Cal NEXT 2010 collaboration with and
16 NOAA, and we will continue to target niche gaps that are
17 critical to the State through dialog with external experts
18 whose larger research portfolios address many but not all
19 of the questions facing the Board.

20 --o0o--

21 DR. FISCHER: This summer, we'll bring the fiscal
22 year 2011-2012 Research Plan to the Board. The projects
23 proposed by that plan will incorporate your comments
24 today, and the overall portfolio will be guided by our
25 ongoing strategic planning discussions.

1 We would now like to turn the discussion over to
2 the Board and the RSC.

3 CHAIRPERSON NICHOLS: Thank you. Thanks for
4 framing the discussion that way. It's very timely.

5 I was actually surprised to learn that the
6 strategic plan, which seemed to me to be fairly recent,
7 was actually adopted in 2003. And even though I realize
8 people have looked at it since then and there have been
9 some tweaks made, I think it's very appropriate that we
10 are undertaking a serious effort to now really reshape it
11 in light of many changes that have occurred, probably the
12 most significant one being, of course, the Board's new
13 responsibilities in the area of climate change.

14 But that also opens up both opportunities and
15 challenges to us in adding to the integration and
16 partnerships all of those agencies that are funding
17 research on climate change, which is a field that's way
18 beyond anything we can take on financially or even in
19 terms of keeping up with all of the work that's going on
20 in that field. But it does become important for us to at
21 least see where we can contribute and also to be in a
22 position the better evaluate we've going on in that area.

23 I would invite any of the Board members who have
24 any questions or thoughts along these lines to jump into
25 the discussion at this point. I wanted to have this

1 presentation today, both because it's the first time we've
2 had a bit of a lull in our agenda to be able to kind of
3 step back and devote some time to just thinking and
4 planning for the next few years.

5 But also I guess it's timely in the sense that
6 within a new administration there's going to be some
7 re-thinking about priorities and agendas and so forth.
8 When Governor Brown was running for the office of
9 Governor, he made some strong statements about his support
10 for the universities and for research in the university.
11 He's obviously facing some very serious budget constraints
12 right now, and there's going to be challenges keeping his
13 attention focused on the budget for months to come. But
14 the more we can do to kind of focus and clarify our input
15 on what we need and why we need it I think the better off
16 we will be in that process.

17 So I'll start down at this end with Professor
18 Sperling.

19 BOARD MEMBER SPERLING: I think the staff did a
20 very good job of identifying a lot of the issues and
21 priorities and how to think about going forward.

22 And I have lots more ideas and maybe depending on
23 how our discussion goes, I'll contribute.

24 I think the first thing I'd like to say is add a
25 little more depth to -- a little more context to how ARB

1 has changed and its responsibilities and what that means
2 for research. When ARB got started decades ago, even
3 before Mary and even before our Chairwoman and our 20 year
4 Board member, you know, the focus really was very
5 different from what it is now. It was much more focused
6 on very specific regulatory actions. It tended to be much
7 more prescriptive than we do now, much more technology
8 fixes. And we've evolved over time in many ways. So now
9 our purview is much expanded with climate change, which
10 requires a much more -- in a way, really a much more
11 sophisticated approach. We need -- the agency already is
12 evolving towards more flexibility, more use of market
13 instruments, more looking at multiple pollutant affects,
14 looking at spacial impacts in terms of the effects on
15 different local communities. So there's so many changes
16 that have taken place and -- even in the last ten years.
17 Even since 2003.

18 So as we think about going forward, given our
19 limited resources, given the evolution of the Clean Air
20 Act, or changes that are likely to be happening, and given
21 how important California is in terms of the national
22 discussion about the Clean Air Act, there's so much going
23 on here and so little money.

24 So I think it really does require us to be --
25 think really hard about exactly what are our criteria

1 about how we want to spend our money, what our needs
2 really are.

3 One of the things I've learned coming from
4 academia to the Air Board here is that in many ways
5 scientists and academicians really don't have a good feel
6 for what the needs are of an agency like ARB. And ARB
7 doesn't have a good feel for how the academic culture.
8 And there is this chasm. And a part of that that's most
9 important is understanding how do you design and support
10 regulatory initiatives and developing the models, the data
11 to really support how ARB can move ahead in the most
12 effective way. We really have struggled -- SB 375 we
13 struggled with. Even of our vehicle standards, which
14 we've been working on for years.

15 So this kind of a general thought. But I think
16 it would be useful to take a lot of those ideas that the
17 staff just presented and really sharpen them up. Come up
18 with very sharp criteria about what exactly are our
19 criteria that we're going to use in designing our research
20 agenda and evaluating projects. And what are we -- and
21 the tail end of it is, as was mentioned, doing a better
22 job of marketing it and disseminating it, which would be
23 important for the research, important for ARB, important
24 for environmental research generally.

25 So those are general ideas. We can get to the

1 specific ones later.

2 CHAIRPERSON NICHOLS: Maybe just to follow-up a
3 little bit on your point. I know that within the
4 university -- within your university, there are multi
5 disciplinary research entities that get together and try
6 to plan their own future agendas. And one of the things
7 they ask for often is our input into what they should be
8 doing. I guess just to raise a question is is there some
9 more effective way that we could be integrating
10 information across a number of different entities and
11 disciplines to help us think more strategically as you
12 suggest?

13 Obviously -- I shouldn't say obviously. I should
14 say, one of the things I learned during my time in
15 academia is just how incredibly competitive the process of
16 getting research funding is. So anybody who thinks that,
17 you know, professors just sit there and grants roll in and
18 they get to work on whatever they feel like has never
19 spent any time around a university where particularly in
20 the sciences -- but I presume it's true in other areas as
21 well -- the top researchers have to devote a very large
22 amount of their time to actually putting together and
23 getting the funds to do the work we're talking about. So
24 here comes ARB with a small amount of funds, but a large
25 need. Is there some way that we could better take

1 advantage, if you will, of the fact that it is a very
2 competitive world out there?

3 BOARD MEMBER SPERLING: You know, one little
4 thought on that is I think more interaction -- and maybe
5 the Research Committee will have some thoughts on this.
6 But my experience is that I'm -- given my experience here
7 in Sacramento, I'm able to go back to the university and
8 talk to researchers and explain to them how they could
9 tweak their research a little bit in a way that can be
10 much more useful and productive. Part of it is just them
11 understanding what our priorities are. And maybe part of
12 this is just putting a little more effort into having
13 James or John Balmes or myself and others actually go out
14 and talk more at the different universities.

15 Because I think we can -- researchers love --
16 they want to do research that has an impact. We have the
17 great advantage here is that what we do is very compelling
18 to them. And so maybe part of this might be just more
19 actual physical interaction and communication in the
20 universities. But maybe some of the Research Committee
21 members might have some thoughts.

22 CHAIRPERSON NICHOLS: I would invite any of you
23 to respond to that.

24 I'll call on my friend and colleague Suzanne
25 Paulson, since she's sitting right in front of me.

1 DR. PAULSON: I think that I guess it would be
2 great if you guys could come and make presentations and so
3 on. But I think that that communication could be done
4 effectively in writing as well or with websites and so on.

5 I've only been on the RSC a couple of years. I
6 think it's fair to say I don't have a clear idea of what
7 your research agenda is and I've been trying to
8 triangulate in my experience as a new RSC member.

9 There is a little bit of guidance in the research
10 call that goes out every year, but it's quite vague. And,
11 you know, this does have some advantages, because it draws
12 a lot of very novel ideas. And if you're more
13 prescriptive, you won't get as broad a collection of
14 sometimes very good ideas and maybe not take advantage of
15 the very wide range of knowledge that's available in the
16 academic community as well as you have in the past.

17 But I think that working on communicating better
18 your priorities would serve pretty well and probably can
19 be done in written form.

20 BOARD MEMBER SPERLING: If we can figure them
21 out.

22 CHAIRPERSON NICHOLS: Other thoughts on this
23 general line of whether there is a better way for us as a
24 Board to be communicating our priorities to the academic
25 community?

1 DR. LIU: I think it will help definitely some
2 direct communications at the University levels. And
3 particularly most of the funding from the ARB research
4 divisions does go to the university systems.

5 On the other side of the equation, ARB, given
6 small research resource available, I think it's probably
7 around five to six million actually dollar -- but ARB does
8 have a heavy mandate and has a lot of interest in research
9 projects outside ARB.

10 So I really encourage the Board, staff, and
11 Research Division really heavily involved in the
12 participation, coordination, and even try to inference the
13 other research at the national level, at the EPA, DOE
14 national labs, and some of the research organizations. I
15 think ARB really do need to really get in more like the
16 National Institute of Health and CRC. Those organizations
17 have done marvelous research work and we really can take
18 advantage. When I say ARB has a mandate and people
19 listen. So you can really have a heavy influence way
20 beyond this five, six million dollars.

21 CHAIRPERSON NICHOLS: So being able to free up
22 some of our staff who have the appropriate expertise and
23 training to participate in some of these efforts as well
24 as tapping into the Board members who are able to
25 participate would be a good way to expand our reach there

1 too; right?

2 Okay. Other Board members have any questions or
3 comments at this point about where we go from here?

4 Ms. Berg.

5 BOARD MEMBER BERG: I would just like to echo
6 what the conversation -- the direction of the
7 conversation. And also looking at the first 40 years has
8 really been about the low hanging fruit and going up the
9 tree. And I see that the struggle that we have now is the
10 solutions that we have in front of it are: A, not
11 inexpensive. So they're very expensive. And B, they
12 effect a wide range of the population. And so we're going
13 to get some backlash on that.

14 So in looking at our research, I was thrilled to
15 see that we were looking at some behavioral areas and also
16 some economic impact. And I would encourage that on the
17 economic impact that we bifurcate and look at impact on
18 existing populations or stakeholders as well as economic
19 impact on creating new green jobs and so forth and that we
20 are able to communicate that.

21 I think what we've learned over the last couple
22 of years both with AB 32 and some of the diesel rules is
23 that lumping all the impact study under one umbrella made
24 people feel like: A, they weren't being listened to and
25 it had a great impact on them.

1 So I think as we're going forward, some of the
2 research would be well served if we could keep in mind
3 that the things that we are going to be looking at are not
4 easy answers. And instead of putting one umbrella over
5 it, to look at it from different avenues. And I think
6 that also could be very helpful to us.

7 Great job today. Thanks.

8 CHAIRPERSON NICHOLS: Mayor Loveridge.

9 BOARD MEMBER LOVERIDGE: I was not here for much
10 of the presentation. But just two quick comments.

11 One is the question of priorities. Almost the
12 more you do, maybe the less you do. That is the question.
13 If there really are important things that we need to know
14 about that may be important to identify and commit our
15 sums to that as opposed to a wide range. So that's
16 probably been discussed many times before. But I think
17 the issue of priorities and funding limited is a question.

18 The other just on the economic analysis, I came
19 in as you were talking about an economic fellow. I was
20 trying to understand what -- is that a senior --

21 CHAIRPERSON NICHOLS: It's a post-doctoral
22 fellowship for actually someone who's recently received a
23 doctorate, but who's moving into an academic career. And
24 the idea that is the person will be based at the
25 university, but will be working here a portion of the

1 time. And part of their responsibilities will be to help
2 link us to state-of-the-art research that is going on in
3 economics.

4 BOARD MEMBER LOVERIDGE: And how will that fellow
5 be chosen?

6 CHAIRPERSON NICHOLS: Somebody can explain in
7 more detail probably than I can how we've actually set
8 this thing up.

9 RESEARCH AND DEVELOPMENT BRANCH CHIEF HERNER:
10 This fellow is being recruited by the University of Santa
11 Barbara. And position is currently being advertised and
12 the interviews will begin at the end of March. The
13 initial interviews will be conducted by the University of
14 Santa Barbara staff, the PI. And then ARB senior
15 management will be involved in that interviewing and
16 decision making process because the individual will have
17 very close contact with the Chair and with the Board
18 members.

19 BOARD MEMBER LOVERIDGE: Nothing against
20 University of California Santa Barbara, but why Santa
21 Barbara as opposed to Davis or Riverside or some other
22 campus?

23 RESEARCH AND DEVELOPMENT BRANCH CHIEF HERNER:
24 Well, the U.C. Santa Barbara has a very strong economics
25 program. They have existing links with ARB, and one of

1 the priorities in establishing the ARB fellowship was to
2 do this quickly, because we felt it was a priority. So
3 we're taking advantage of our existing very strong
4 linkages with U.C. Santa Barbara to expedite that process.

5 CHAIRPERSON NICHOLS: But I believe they are
6 disseminating this opportunity and trying to recruit
7 candidates from throughout the system.

8 RESEARCH AND DEVELOPMENT BRANCH CHIEF HERNER:
9 That's correct. This is not a recruiting simply Santa
10 Barbara graduates. This position is being advertised in
11 economic journals on a widespread basis. And so in
12 theory, the applicant could be coming from anywhere in the
13 country. And we're very much pushing and advocating for a
14 high quality, high caliber candidate to take this
15 position.

16 CHAIRPERSON NICHOLS: I think starting a couple
17 of years ago, there was interest on the part of some
18 Legislatures. And I think if there were more money
19 around, we might have gotten further with this in actually
20 creating a position for a chief economist at the ARB
21 because of the heavy pressure and questioning all the time
22 about the effects of what we do. And as the Board members
23 heard many times over the course of last couple of years,
24 we have some excellent staff and very well trained people
25 who are also in communication with academic experts who

1 are thinking about the latest ways of evaluating the kind
2 of work that we do on the economy, pro and con, because it
3 does become very adversarial at times, as several people
4 pointed out. And that never really came to fruition. But
5 this seemed to be something that we could do internally to
6 identify a position for a post-doctoral fellowship.
7 Fortunately, those aren't quite so expensive. And the
8 idea was that if somebody came for two years, that would
9 be enough for them to make a real contribution here and
10 also would enable us to begin to establish a cadre of
11 people in the economics profession who know more about how
12 we think and what we need and what we do to help bridge
13 that gap that Professor Sperling was talking about, where
14 people in academia oftentimes don't understand how
15 government approaches issues like pollution and what we
16 can do about it.

17 So anyway, it's an experiment.

18 BOARD MEMBER LOVERIDGE: The only other caution,
19 it seems to me, it would be helpful from California
20 itself, one of the universities, to have somebody from
21 maybe another state to. Doesn't seem to match what our
22 needs are and attempt to tie back into existing state
23 research.

24 CHAIRPERSON NICHOLS: Well, fortunately or
25 unfortunately, California is an expensive enough place to

1 live and work, and the salary that we're offering is low
2 enough. So I don't think we're likely to attract
3 candidates from far away who would have to move here just
4 to take this.

5 But you don't know, because certainly since the
6 advent of AB 32, we've seen a real surge in interest in
7 graduates and experts from all over the world wanting to
8 come and work with us on some of these issues. And it's
9 going to probably be continuing at least for the next
10 couple of years in the absence of a strong federal climate
11 program as well anyway. That's helped us I guess in some
12 respects.

13 Mrs. Riordan.

14 BOARD MEMBER RIORDAN: Yes, I'm very excited
15 about this economic analysis and how we move forward. I
16 think that's going to be a real benefit for me as a Board
17 member.

18 When we were discussing opportunities, it
19 occurred to me to partner as we have in the past for
20 research has been very helpful. And I'm looking at Chung
21 Liu and thinking with South Coast on occasion and
22 hopefully we can continue to do that. I don't know what
23 your budget is now for research. At South Coast at one
24 time it was a very healthy budget. I don't know what's
25 happened to it today.

1 But there are many opportunities to work with
2 people such as South Coast Air Quality District and there
3 may be many others. And we need to try to do that as best
4 we can.

5 And Chung, are you our liaison between the two,
6 ARB and South Coast?

7 DR. LIU: I'm here being a member of the Research
8 Screening Committee.

9 BOARD MEMBER RIORDAN: No, I know you are. But
10 this would be a subset of your official position today. I
11 mean, you must carry the message on occasion back about
12 what we're doing, and hopefully you're telling us what
13 South Coast is doing.

14 DR. LIU: We have a clean fuel funding, so we do
15 have some resource that can be used for mobile source
16 related, particularly the vehicle related projects. As a
17 matter of fact, a recent major study we're initiating is
18 to check the emission in the real world, the so-called
19 in-use emissions from heavy-duty vehicles. The ARB staff
20 is helping us to select the contractors and consultants to
21 work on it and just received a letter that ARB is going to
22 send four staff to work on. Those kinds of efforts are
23 ongoing for many, many years and will keep on going.

24 And besides the South Coast, on the national
25 level, and Board has been engaged with NOAA and NASA. And

1 those organizations has heavy mandate also to looking to
2 the atmosphere. And the study last year is tremendous
3 success. So those kinds of efforts are ongoing. And for
4 South Coast, we'd be more than glad to work with ARB on
5 research project related to mobile sources.

6 CHAIRPERSON NICHOLS: Thank you.
7 Supervisor Yeager.

8 BOARD MEMBER YEAGER: Yes, thank you.

9 Just to put on my local government hat and maybe
10 sort of some other issues to look at with the research, I
11 know that cities and counties and even MPOs are continuing
12 to struggle with SB 375 and the sustainable communities
13 strategies. And I just want to make sure that we spend a
14 little bit of time looking at how to help out cities
15 trying to particularly measure many of the land use
16 decisions that they're making. They, too, are totally
17 understaffed. They aren't quite sure what they need to be
18 doing. They certainly don't have any idea of how to
19 measure what their actions are.

20 So I think that's very important to make sure we
21 have contact with local government and find out what kind
22 of research would be most useful for them. A lot of them
23 are coming up with their strategies. But again they
24 aren't quite sure of knowing what's going to be -- what's
25 going to produce the type of results that they're looking

1 for.

2 Just some other issues, too, that are going on
3 around local government. As we look at the air quality,
4 particularly amongst in areas where there is a lot of
5 freeways and a lot of industry, that is often the areas
6 where land is cheaper and we can build more affordable
7 housing. But the clash there is between the air quality
8 and the housing. And I don't think local government has a
9 good idea of how to measure that air quality. And so even
10 though we're looking at more EIRs and certainly showing
11 that these might not be optimal places to house people, if
12 they're not in sort of the central areas where all of the
13 freeways and the mass transit is, it's going to be hard to
14 figure out where to place that housing.

15 The other thing too is to look at behavioral
16 change. I think as we're looking at trying to have people
17 move into the central city where there's more transit
18 opportunities, it's still going to be difficult to get
19 people out away from living into more suburban areas or
20 trying to getting industry and companies to locate in
21 urban areas rather than on the outskirts. So what do we
22 need to do to sort of change behavior so we get the
23 results that we want, so we have fewer miles traveled,
24 that we really have that concentration in the urban core
25 rather than again building outside of the urban areas, all

1 of which has to be done if we're going to meet the goals
2 of SB 375.

3 But I can tell you that cities are really in the
4 dark. I think they'd want to try to comply, but they
5 aren't sure what they're going to do that's actually going
6 to be effective. So whatever ARB can provide them.

7 I should say I think the same thing is true with
8 the air districts and with the MPOs. Again, they've set
9 the targets, but no one is quite sure how they're going to
10 achieve them. So any assistance that that you can give
11 them would be helpful.

12 CHAIRPERSON NICHOLS: I think we're going to be
13 talking about this topic a little bit further this morning
14 actually when we get into the SCAG report. But it's fair
15 to say as I've been out and around in the last year or so,
16 this is a theme I've heard quite consistently. And we
17 have made some commitments at ARB to try to help leverage
18 funds to work on exactly the issues you're talking about.
19 There is more going on than maybe meets the eye at the
20 moment. But we have succeeded in getting some funding
21 directed from bond moneys that we don't control but that
22 exist to direct into this area at the MPO level to improve
23 the state-of-the-art of monitoring and modeling in
24 particular for impacts of changes in land use and
25 transportation on greenhouse gas emissions.

1 And we are all looking and appreciate everybody's
2 help in finding pots of money and research programs that
3 can be Leveraged in this area. So one of the ones that
4 I've been working with, I'm on the Advisory Board for the
5 PEER Program at the Energy Commission, which is funded
6 with the money from rate payers of investor-owned
7 utilities. And some of their funds we are hoping are
8 going to be used for this purpose. And it's a large pot
9 that's potentially available. So there is recognition of
10 the need that you're talking about.

11 This is also an area that is Ms. D'Adamo has been
12 interested in for a long time and how we get better
13 messages out to local governments and land use agencies
14 about the impacts of their decisions on air quality.

15 BOARD MEMBER D'ADAMO: Thank you. I couldn't
16 agree with you more. I have seen the reports about
17 increased funding, and I think it a terrific point --
18 Supervisor Yeager makes a good point. I'm seeing that
19 everywhere I go in the valley.

20 All I could say, just to add to this, is that
21 anything that can be done to make it very easy for
22 municipalities, there is a whole area of actions that can
23 be taken that are just very subjective. I just met with
24 staff yesterday, and they were talking about making bus
25 stops more pleasant so that people want to ride the bus.

1 Well, that's something that communities probably want to
2 do anyway. But they can't really wrap their arms around
3 when does that mean in terms of a reduction. So as you
4 were talking about housing near freeways, very specific
5 information that just makes it easier for communities to
6 determine as they plan and grow what specific actions they
7 can take where they can see a measurable result.

8 CHAIRPERSON NICHOLS: I'm also pleased to notice
9 that we have an expert in indoor air quality serving on
10 our Research Screening Committee, because the issue about
11 where and how people get exposed to air pollution, the
12 amount of time people are actually spending indoors versus
13 outdoors and, you know, what, if anything, we can do about
14 indoor air quality is one that is always kind of bubbling
15 along just below the surface I think of the regulatory
16 attention.

17 It's not an area -- other than in our effort that
18 we undertook a couple years ago to get rid of the kind of
19 indoor air purifiers that were actually making air worse
20 for people -- we haven't had much activity in that area
21 directly. But as people who are concerned about air
22 quality, it definitely behooves us to pay attention to
23 where the air is that people are breathing.

24 I don't know if, Dr. Thatcher, you want to
25 comment at all about any of the work you've been doing

1 with the Committee, but it would be interesting.

2 DR. THATCHER: I really appreciate your interest
3 in indoor air quality, and I think it's really important.
4 And I think it dovetails to a lot of the things we're
5 talking about.

6 It's hard to regulate indoor air quality because
7 there is not really an authority, but a lot of the things
8 that you do impact indoor air quality. And a lot of the
9 things we're going to do for greenhouse gases, changing
10 fuel types, wood burning stoves, a lot of the outdoor
11 regulations also impact indoor air quality. And it's
12 important to understand that connection between the two.
13 So I think there is a lot that can be done and that should
14 be done. A lot of the behavioral issues we're talking
15 about, a lot of the greenhouse gas things are going to be
16 the lowest hanging fruit is implementing behavioral
17 changes and understanding what the -- sort of what impedes
18 those. And a lot of those end up being strong impacts on
19 indoor air quality. And there may actually be some indoor
20 air quality drivers that can help people go towards
21 behavioral change when they understand that if they make
22 changes in their fuel consumption and the way they run
23 their house and things like that, not only is it good for
24 the environment, it lowers their utility cost and can
25 change their indoor environment and make it a much more

1 healthy place.

2 So I think there are a lot of places where indoor
3 air quality can dovetail nicely into the regulatory
4 framework and the things that we're trying to achieve. I
5 try and include that or help the understanding of that as
6 we work on processes.

7 CHAIRPERSON NICHOLS: That's very helpful. Thank
8 you.

9 I'm going to call on you, too, Dr.
10 Morello-Frosch, to maybe add a few comments. I know your
11 work -- we have had some interaction, and you've been
12 involved with the ARB's work in the area of understanding
13 impacts of some of our regulatory efforts on environmental
14 justice and trying to create a better understanding on our
15 part as well as the part of communities about how our work
16 effects communities that are most impacted by air
17 pollution. So maybe might just add a few words from your
18 perspective about how things are going in that area as
19 well.

20 DR. MORELLO-FROSCH: Yeah, I would love to
21 dovetail a little bit on Supervisor Yeager's points about
22 municipality total piece and local communities thinking
23 about land use planning, transportation planning, because
24 this is an area I think where impacted communities,
25 particularly environmental justice communities, are really

1 working to engage on those issues. So I think any
2 research that can kind of help inform the roll out of a
3 lot of those policies where local communities and regions
4 are trying to achieve climate change goals are going to be
5 key to get community buy-in on those issues if we are
6 going to impact those behavioral change goals we're
7 seeking to promote and encourage.

8 So I think that research that promotes kind of
9 interagency partnerships, whether it's the Energy
10 Commission or the Department of Public Health or even
11 partnerships with non-governmental organizations and
12 research and policy think tanks that are really thinking
13 about these local and regional community impacts and
14 measuring sort of exposure reductions, potential health
15 benefits, and their distributions, I think is also going
16 to be very critical. And that this research plan is
17 really -- some of these ideas that have been sketched out
18 today in the presentation I think kind of promotes three
19 basic issues: Improving the scientific rigor about how we
20 assess both costs and benefits and doing a better job at
21 assess ing benefits and co-benefits and their
22 distribution. Making sure that the research is relevant
23 to what communities are doing with now, both
24 municipalities and local communities and regions.

25 And then I would say the reach of the research;

1 how do we think a little more strategically about how we
2 distribute the results of the research that we funded in
3 innovative ways that are more accessible to diverse
4 audiences. So I think there is some ways in which to do
5 that dissemination strategy to reach broader audiences.
6 It doesn't necessarily have to entail a huge cost because
7 I know we're all under severe budget constraints.

8 CHAIRPERSON NICHOLS: I think that's great.

9 I would just add -- I know it was alluded to in
10 the staff presentation, but I do think that particularly
11 when we're talking about local governments and how to
12 communicate effectively that bringing the air districts
13 into that discussion could be very productive. I don't
14 know if any other districts in the state have the kind of
15 resources or well established research programs. I'm not
16 as familiar with others outside of the South Coast. There
17 may be. But South Coast certainly has a long established
18 program. And if we can also help take advantage of their
19 resources and their connections at the local level,
20 particularly as we get more involved with SB 375
21 implementation, and are really trying to provide technical
22 tools to the local governments to use in assessing their
23 land use and transportation plans, I think that could be a
24 very effective collaboration.

25 One more comment here.

1 BOARD MEMBER SPERLING: Perhaps let me offer a
2 few cautionary notes. So I'm, of course, very
3 enthusiastic about doing more and better research. But
4 speaking on behalf of my research colleges, we have many,
5 many ideas. We by nature -- it's a creative community.
6 And let them loose, and they'll come up. They could spend
7 billions of dollars on very useful research. But you
8 know, it really -- so that's one cautionary note. The
9 other cautionary note is that we have to be able to
10 anticipate by the nature of this process priorities in
11 five years from now. By the time you come up with your
12 priorities and let the contracts and research is done and
13 you get it back, you're talking four or five years. So
14 that's a lot trickier. That's a lot harder. We can sit
15 here and say, well, cities need this. Yes, today, that's
16 what they need. What will they need in five years? And
17 you know, that's a -- so I think we need to pay attention
18 to that.

19 So I just had a few summary thoughts as I was
20 listening to the discussion. And a lot of this -- it all
21 repeats what was said, but I think synthesizes it. I
22 think we need -- one point is we need to sharpen our
23 criteria about what we really want to fund and need to
24 fund, given our limited resources, in terms of regulatory
25 needs, in terms of leveraging, in terms of the science

1 gaps, that's number one. What are those criteria? And be
2 more specific about it.

3 The other is to articulate much better what are
4 the science gaps as we're going into the future. What are
5 these regulatory needs that we are going to have in three,
6 four, five, eight years from now.

7 We also -- I think we need a better process for
8 getting advice as our agenda has broadened and the
9 questions have become more complex.

10 You know, the economic fellow is a good idea, but
11 I think we can probably figure out other ways of doing
12 that. Maybe we have specialized research advisory
13 committees in different areas that can help us that can be
14 relatively cheap. We have to figure out how to do all
15 this with relatively little money.

16 CHAIRPERSON NICHOLS: Cheap isn't good enough.
17 It has to be free.

18 BOARD MEMBER SPERLING: And with our new
19 Governor, we have to be even cheaper, right.

20 And then this idea of dissemination, I've been
21 talking with staff about it. And it's echoing what's been
22 said here. But in this modern day and age when the world
23 is awash in different kinds of information, we need to do
24 a much better job of disseminating our findings.

25 And one of the ways of doing that might be using

1 our research staff more as kind of research synthesizers
2 than as project managers so that they can take some of
3 this knowledge, like on multiple pollutants and their
4 effects or on the effects on cities and SB 375 co-benefits
5 and so on and synthesize it and be key parts of the
6 process of putting out white papers. You can use --
7 science writers are useful, but a lot of the research
8 staff are very good writers, and maybe they can play a
9 role in this.

10 But somehow I think we need to do a better job.
11 It's so important. If no one knows about it, no one reads
12 it, what good is it? And it's communicating those
13 research findings. Given the nature of the public
14 discourse on science generally and so many of the things
15 we're interested in has really degenerated, and perhaps
16 ARB can play a positive role in upgrading that discussion
17 a little bit.

18 CHAIRPERSON NICHOLS: Does anybody else have any
19 sort of concluding remarks?

20 I would want to perhaps add one thing to that
21 comment, because I agree in general with all you said.
22 And that is just to remind all of us that there is a lot
23 of work that goes on at ARB both internally and externally
24 funded through contract dollars that would qualify as
25 science or research that takes place throughout the

1 organization. And we're really only focusing on that one
2 small part of it that is used for external peer reviewed
3 academic research. And that is kind of the -- it's a
4 separate pot of funding, and it's also a very special kind
5 of program that we have. We're one of a small number of
6 agencies in the State of California that has anything like
7 this program, and it's something that we've nurtured
8 through the years because it does provide us with a seed
9 funding to participate in a much larger world of ideas and
10 of longer term thinking than what we can do with our
11 day-to-day regulatory programs and needs.

12 It is important for all of us to understand that
13 this kind of research cannot be looked to to give you
14 quick results. You cannot contract through research
15 grants. You're not going to get a cookbook or a report on
16 the time frame that you need it because it's just not
17 going to happen that way. So what we're really doing with
18 these dollars is investing in people and programs that
19 will provide us over the years with the expertise and in
20 some cases even the people.

21 So I appreciate your comment about better ways or
22 other ways to get advice, and I totally agree with that.
23 I would just say perhaps because it was my idea to begin
24 with so I have to defend it, but the idea of the
25 fellowship for an economist was really based on the fact

1 that there were so few people that we could find anywhere
2 in economics departments or with Ph.D.s in economics who
3 knew anything about our programs or had any interest in
4 participating in some of the stuff that we were facing.
5 So we'll see if it works. And I realize that it may not.

6 But I just do think it's important that we
7 recognize that there is a much wider world of
8 communications and interaction that we need to have with
9 the science community and with the public at large than we
10 can possibly do through this program. But I think it was
11 useful to shine a light on the research program itself
12 because it is a vulnerable program and one that we have to
13 continually defend over the years as something that we
14 need to keep going here to provide us.

15 I think it's, as Dr. Fischer's report mentioned,
16 work that has been sponsored through this program over the
17 years has played a big role in the reputation that we do
18 enjoy internationally and for our efforts. So we want to
19 maintain that if we possibly can.

20 If there are no further comments, I will thank
21 the members of the Screening Committee for having taken
22 the time to come and being willing to respond to our
23 questions and appreciate very much your efforts and hope
24 to see you again. Thank you very much.

25 We will move to some specific research proposals.

1 But I guess before I do that I should ask if there's any
2 public comment on this item of the research report. Okay,
3 seeing none, we'll move right into the consent calendar,
4 which consists of 17 research proposals which were part of
5 the 2010 to 2011 research plan that was approved last
6 October. These projects were developed with the current
7 program priorities in mind. And since we just concluded
8 this discussion of the planning process, I would point out
9 that several of these projects involve research themes
10 that we intend to pursue going forward.

11 So I would ask the Clerk of the Board whether we
12 have any witnesses who signed up to testify on this item?
13 We did not.

14 If there are any Board members who want to remove
15 any item from the consent calendar, then we would remove
16 them from that. Otherwise, I would ask that we vote on
17 the Resolution and approve them all as a whole.

18 BOARD MEMBER LOVERIDGE: So moved.

19 BOARD MEMBER RIORDAN: Second.

20 BOARD MEMBER SPERLING: I just need to recuse
21 myself from -- there's a number of them that are U.C.
22 Davis.

23 CHAIRPERSON NICHOLS: If you want to just note
24 that for the record and make sure that the Clerk knows
25 that you didn't vote on those items. So otherwise we can

1 have a motion to adopt Resolution Numbers 11-2 through
2 11-18.

3 BOARD MEMBER YEAGER: So moved.

4 CHAIRPERSON NICHOLS: All in favor please say
5 aye.

6 (Ayes)

7 CHAIRPERSON NICHOLS: Any opposed?

8 Great. Thank you very much.

9 The next item is a report from our Executive
10 Officer on what he's going to be doing in 2011.

11 (Thereupon an overhead presentation was
12 presented as follows.)

13 EXECUTIVE OFFICER GOLDSTONE: Thank you, Chairman
14 Nichols.

15 Today, I'm going to give an overview of the
16 activities planned for this year and the items we plan to
17 bring to the Board in 2011. This year's focus is
18 primarily on implementation of programs given the number
19 of significant rulemaking we've promulgated in the past
20 few years.

21 --o0o--

22 EXECUTIVE OFFICER GOLDSTONE: This year's primary
23 focus is on implementation of rules to reduce emissions of
24 pollutants that form particulate matter and ozone toxic
25 air contaminants and emissions of greenhouse gases. We

1 have one major rulemaking this year, that's the advanced
2 clean cars, and several modifications to existing rules to
3 address various implementation issues.

4 I'll also touch on our activities in Washington,
5 D.C., and joint activities with our partners at CAPCOA and
6 talk about the 2011 Board calendar.

7 --o0o--

8 EXECUTIVE OFFICER GOLDSTONE: Governor Brown is
9 emphasizing the need to develop's California's green
10 economy and new jobs and to provide for a clean energy
11 future. These priorities reinforce the need for the
12 programs we are implementing to reduce greenhouse gas
13 emissions and improve air quality statewide.

14 --o0o--

15 EXECUTIVE OFFICER GOLDSTONE: I'll start the
16 discussion of program implementation with a list of
17 measures to reduce emissions of greenhouse gases. Key
18 program implementation areas include the renewable energy
19 standard, Low Carbon Fuel Standard, cap and trade,
20 refrigerant rules, and development of sustainable
21 community strategies under SB 375.

22 While SB 375 is being implemented by local
23 agencies and metropolitan planning organizations, ARB
24 staff will be reviewing the technical documentation
25 related to greenhouse gas targets set by the Board.

1 This panel will assist us on the formal review of the LCFS
2 regulation. All of this work will feed into recommended
3 regulatory amendments that will be brought to the Board
4 later this year. We anticipate adding fuel pathways. In
5 fact, today we're having our first Executive Officer
6 hearing to consider several new fuel pathways -- and new
7 land use change values, as well as other amendments to
8 develop with the assistance of the Advisory Panel. We
9 will also update the Board on our progress to develop and
10 incorporate sustainability provisions.

11 --o0o--

12 EXECUTIVE OFFICER GOLDSTONE: As part of the work
13 to finalize the cap and trade regulation and implement the
14 program, ARB staff will begin to hold a series of
15 workshops to discuss offsets, electricity, allocations,
16 and compliance. Later this year, staff will provide an
17 update on the allowance allocation system, the status and
18 schedule for the market tracking and auction systems, and
19 update on market oversight and readiness, a status report
20 on offset protocols and supply, and information regarding
21 the Western Climate Initiative overall.

22 While there is still a lot of work to be done
23 before the cap and trade regulation takes effect, staff is
24 up to the task as California continues to lead the nation
25 in this area.

1 --o0o--

2 EXECUTIVE OFFICER GOLDSTENE: I'd also like to
3 thank Kevin Kennedy, who is leaving the Office of Climate
4 Change shortly for a new position as head of U.S. climate
5 efforts at the World Resources Institute in Washington. I
6 know I sent a memo to all of you. I don't know if Kevin
7 is here.

8 (Applause)

9 EXECUTIVE OFFICER GOLDSTENE: He will be missed.
10 But luckily, we work with WRI a lot, so we will see him
11 quite a bit.

12 CHAIRPERSON NICHOLS: I consider them part of our
13 staff, don't you?

14 EXECUTIVE OFFICER GOLDSTENE: I don't think he's
15 actually being released. But he'll be in Washington,
16 which is great.

17 Next slide.

18 --o0o--

19 EXECUTIVE OFFICER GOLDSTENE: Two other
20 greenhouse gas regulations take effect this year, the
21 Refrigerant management program requires best management
22 practices to reduce emissions of refrigerants from
23 commercial refrigeration systems. The regulation, of
24 course, is designed to reduce refrigeration leaks.

25 Also effective starting in January is the

1 automotive refrigerant can recycling program for
2 do-it-yourself automotive refrigerant cans. This program
3 involves manufacturers, retailers, and the end users of
4 small refrigerant cans. As you'll call, this is the
5 program where we work with the industry to redesign the
6 can and to have a return deposit. We're expecting great
7 success from that program.

8 And, of course, we are coordinating with the
9 local air districts to conduct outreach and enforcement of
10 these rules.

11 --o0o--

12 EXECUTIVE OFFICER GOLDSTONE: Much of the
13 activity related to developing sustainable community
14 strategies will take place at the regional level, of
15 course. The San Diego Association of Governments will be
16 the first metropolitan planning organization to include a
17 sustainable communities strategies as part of their
18 regional transportation plan in summer 2011. Other
19 regions will follow in 2012 and 2013.

20 We are providing technical support and working
21 with other State agencies to identify funding mechanisms,
22 which is I'm sure something we'll also be talking about a
23 little later.

24 --o0o--

25 EXECUTIVE OFFICER GOLDSTONE: In the goods

1 movement area, we recognize that reaching our future air
2 quality and public health goals will require a
3 collaborative effort across a broad spectrum of agencies
4 and stakeholders to transform California's diesel-based
5 freight transportation system into a much greener model
6 that relies on zero and near-zero emission technologies.
7 We hope to initiate a discussion about the logistics,
8 infrastructure, and technology improvements to deliver a
9 more efficient system that cuts fuel consumption and
10 greenhouse gas, regional ozone, and fine particles, and
11 localized health risk.

12 --o0o--

13 EXECUTIVE OFFICER GOLDSTONE: In the mean time,
14 we continue to implement the goods movement rules for ship
15 fuels, cargo handling equipment, transport refrigeration
16 units, drayage trucks, harbor craft, and shore power in
17 order to reduce emissions.

18 Ports are applying now for Prop. 1B grants to
19 co-fund installation of shore power and will complete
20 these projects by 2014. These measures are currently
21 providing significant reductions, although staff will
22 propose some revisions this year to improve compliance or
23 regulatory flexibility.

24 --o0o--

25 EXECUTIVE OFFICER GOLDSTONE: ARB continues to

1 pursue diesel emission reductions in the rail yard and
2 locomotive sector of goods movement. ARB's voluntary
3 agreements with the State's two major rail carriers remain
4 in effect and continue to reduce emissions near rail
5 yards. These agreements are expected to reduce PM
6 emissions and health risks by 85 percent between 2005 and
7 2020.

8 Last June, staff provided an update on the
9 proposed commitments to reduce diesel particulate matter
10 at the four rail yards. And in January of this year,
11 staff posted revised draft commitments to address the
12 Board's June 2010 directives. These revisions are
13 designed to increase accountability and encourage
14 deployment of new technology.

15 --o0o--

16 EXECUTIVE OFFICER GOLDSTONE: For the diesel
17 truck and off-road equipment rules, staff is completing
18 the Board-directed changes from the December Board meeting
19 and will be issuing the revised regulation for the 15-day
20 comment period later this year.

21 We developed an extensive outreach program to
22 assist with compliance of the diesel rules. The outreach
23 program will provide small businesses and fleets with
24 information about multiple regulations, ranging from the
25 idling limits to retrofit and modernization requirements.

1 And we hope to reach about 300,00 truck and equipment
2 owners about available funding opportunity. This
3 multi-faceted program includes meeting with industry work
4 groups and outreach efforts to fleets dealers and repair
5 facilities. In addition, we plan to hold about 50
6 one-stop outreach efforts statewide where we provide truck
7 and equipment owners with information about the new
8 requirements in the funding opportunities in person.

9 Next slide.

10 --o0o--

11 EXECUTIVE OFFICER GOLDSTONE: To achieve our
12 green air goals, we need to combine efforts of regulations
13 and incentive programs. Incentive programs compliment
14 regulations by providing funding to achieve early or extra
15 emission reductions.

16 Later this year, staff will propose a new funding
17 plan for the AB 118 Air Quality Improvement Plan, which
18 tackles the issue of providing incentives in the context
19 of significantly increasing volumes of electric vehicles.

20 The Board will also consider new guideline
21 proposals for the Carl Moyer Program in April to expand
22 opportunities for fleets. Board Member Berg has been
23 instrumental in leading the incentive program's advisory
24 group that provides a forum for discussing policy level
25 issues relating to these air quality incentive programs.

1 CAPCOA also plays a critical role in the development of
2 the incentive program policy guidelines and the
3 development of the overall programs.

4 Meanwhile, the Proposition 1B Goods Movement
5 Fund, which started at a billion dollars, has received
6 approximately 460 million from bond sales so far.
7 Currently, the majority of the Prop. 1B dollars are being
8 allocated for truck and shore power projects, and we
9 anticipate getting additional funds from bond sales later
10 this year.

11 We'll continue to look for additional funding
12 sources to support clean school buses. We'll also
13 continue to implement our other programs, such as the
14 Heavy-Duty Loan Guarantee Program with the State
15 Treasurer's Office, the Car Scrap Program at the Bureau of
16 Automotive Repair, and over a half a dozen different
17 federal awards the Board has received.

18 --o0o--

19 EXECUTIVE OFFICER GOLDSTONE: This year, we
20 expect the State Implementation Plan efforts to start
21 ramping up as we prepare for upcoming air quality planning
22 issues and implementation of new air quality standards.

23 Staff is preparing a response to EPA's proposed
24 disapproval of portions of the 2007/2008 PM2.5 SIPS
25 submitted for the South Coast and San Joaquin Valley.

1 Staff has submitted comments into the record and
2 is preparing additional analysis and information that
3 support approval actions by U.S. EPA. These analyses will
4 be presented to the Board in April.

5 Staff is also developing the technical tools
6 needed for the next round of PM2.5 SIPS, which are due in
7 2012. These include preparing an update to our mobile
8 source emissions model known as EMFAC.

9 Anticipating air quality planning issues that we
10 will confront in the coming years, we are commenting on
11 the proposed new 8-hour ozone standard and proposed
12 changes in EPA's implementation of Clean Air Act
13 requirements.

14 Staff is also evaluating and taking into
15 consideration recent court decisions that can
16 significantly impact future air quality plans.

17 --o0o--

18 EXECUTIVE OFFICER GOLDSTONE: With regard to
19 enforcement, our goal is to make sure that we achieve the
20 expected emission reductions and to ensure a level playing
21 field for the regulated community. Last year, we moved
22 about 40 cases of direct regulatory violations by fleets.
23 We inspected over 13,000 pieces of equipment and issued
24 about 3,000 Notices of Violation.

25 Our enforcement program, particularly in the

1 context of the number of new rules that we've promulgated
2 in the last several years, is constantly re-evaluating its
3 deployment of resources and prioritizing because, of
4 course, we don't have nearly the number of resources we
5 need to enforce the program like we'd like to. So we are
6 targeting our efforts where it makes most sense and where
7 we can use our resources most efficiently.

8 Our enforcement program also conducts training
9 and outreach efforts that is widely applauded across the
10 state and across the country. The training provides both
11 formal classroom and hands-on instruction to address a
12 broad audience. And among other benefits, this training
13 allows us to increase our partnership with the local air
14 districts who often participate with us in these
15 trainings.

16 To conclude the discussion of program
17 implementation, I'll highlight some key information
18 technology activities --

19 --o0o--

20 EXECUTIVE OFFICER GOLDSTONE: -- which are
21 critical to our day-to-day activities, even if they are a
22 bit bureaucratic. This year's information technology
23 priorities include the improvement of our project and data
24 management process to address new State requirements and
25 improve our ability to interact with our stakeholders.

1 In 2007, the State Office of the Chief
2 Information Officer was created and has now since been
3 renamed to the California Technology Agency and has been
4 establishing policies that address all aspects of State
5 information technology administration, from planning to
6 purchasing. Our project management initiative is designed
7 to comply with the project management methodology
8 prescribed by the information officer for the State and
9 the new requirements of the bill AB 2408.

10 I'm now going to switch from our implementation
11 activities to the rulemaking proposals we'll be bringing
12 to you this year.

13 --o0o--

14 EXECUTIVE OFFICER GOLDSTONE: Most significant is
15 the Advanced Clean Cars Program, which will integrate our
16 efforts to reduce both smog-forming and greenhouse gas
17 emissions from cars as well as the Zero Emissions Vehicle
18 Program.

19 Staff is also preparing other proposed rules for
20 the Board's consideration. The commercial recycling
21 regulation, which the Board will consider this spring, is
22 a joint project with the Department of Resource, Recycling
23 and Recovery, formerly known as the Integrated Waste
24 Management Board.

25 Staff will also propose modifications to several

1 rules that reduce air pollution from goods movement. Many
2 of these adjustments are designed to address
3 implementation issues through increased flexibility and
4 consideration of the impacts of the economy.

5 --o0o--

6 EXECUTIVE OFFICER GOLDSTONE: For the next two
7 slides, I'll highlight the Advanced Clean Cars Program.
8 This program represents a coordinated strategy to address
9 California's air quality and climate change goals. Using
10 existing successful programs as a basis, the program
11 continues progress towards our air quality goals by
12 setting clear targets for 2025 and laying the foundation
13 for the next generation of clean cars.

14 The standards will identify a pathway to even
15 lower emissions by mid century. The new standards will
16 integrate requirements for reducing smog and greenhouse
17 gas emissions into the Low Emission Vehicle III, or LEV
18 III, regulatory changes, giving auto engineers a clear
19 target for meeting environmental standards over the next
20 15 years.

21 The program will set performance-based standards
22 building on existing and emerging technologies that will
23 maintain consumer vehicle choice.

24 As part of this effort, staff is continuing our
25 close collaboration with the U.S. EPA and the National

1 Highway Traffic Safety Administration to establish
2 national greenhouse gas standards for the model years 2017
3 to 2025.

4 --o0o--

5 EXECUTIVE OFFICER GOLDSTONE: One goal of the
6 program is to reduce criteria pollutant emissions to near
7 zero levels for 2014 and later model years. For model
8 years 2017 and later, we are evaluating greenhouse gas
9 standards that would provide three to six percent
10 greenhouse gas emission reductions per year through 2025.

11 The third goal of our program is to require the
12 introduction of commercial volumes of zero-emitting
13 vehicles for 2015 to 2025. This is needed to achieve our
14 2050 greenhouse gas reduction goal.

15 To ensure an adequate refueling infrastructure,
16 we are participating in various work groups, such as the
17 plug-in electric vehicles collaborative and the fuel cell
18 partnership.

19 --o0o--

20 EXECUTIVE OFFICER GOLDSTONE: I'd also like to
21 highlight our participation on the national front. ARB's
22 criteria pollutants toxic and greenhouse gas reduction
23 programs continue to lead the nation. Although the
24 Governor's office has reduced staffing in Washington, we
25 have maintained a presence so we can continue to advocate

1 countless programs and issues ranging from incentives
2 programs to regulation development, enforcement, and
3 responding to proposed rules by EPA.

4 These long standing relationships and
5 partnerships have been instrumental in the success of
6 outcomes of controversial rules and coordinated
7 California's voice on national issues. We have a strong
8 presence on the National Association of Clean Air
9 Agencies.

10 --o0o--

11 EXECUTIVE OFFICER GOLDSTONE: Finally, I'll
12 provide highlights of the Board's calendar for the year.
13 For the months of April through July, we'll present SIP
14 revisions, incentive program modifications, the commercial
15 recycling rule, several rule modifications, and an update
16 on the Cap and Trade Program. For the months of September
17 to December, we'll present the advanced clean car
18 regulation, that's in October; potential cap and trade
19 actions sometime this fall; low carbon fuel, and other
20 rule modifications.

21 Thank you for listening to me this morning. We
22 at the staff level appreciate the Board's leadership and
23 we look forward to working with you for another year.
24 Thank you.

25 CHAIRPERSON NICHOLS: Thank you very much, James.

1 Thanks for the preview of coming attractions.

2 The last four years for the Air Resources Board
3 were a time of amazing productivity and also of a lot of
4 pressure I think on all of us. I don't think I heard a
5 single protest from a Board member about the fact that we
6 canceled the January Board meeting. I think people felt
7 that having a couple of days off was probably beneficial.
8 But it's really good to know that the staff and you have
9 been planning ahead for the coming year, and it's helpful
10 to have I think that kind of an overview of what the year
11 will bring.

12 From an overview perspective, as you said, this
13 is a year when a lot of what we're doing is implementation
14 of policies and programs that we adopted over the last
15 couple of years. But it's not just tweaking. It's
16 serious issues that still have to be resolved or filled
17 in.

18 It's also a year when I think, as you've
19 indicated, there's going to be pressures and reasons why
20 we need the Board members to help us, particularly when it
21 comes to relationships with local governments and air
22 districts, but also with all the constituencies that our
23 Board touches on, because clearly California is out there
24 being viewed as being an outlier, if you will, on some of
25 the issues that we work on. And we want to make sure that

1 we're not just there because we like being alone. The
2 idea is to be a leader because you are hoping to get other
3 people to follow. And that means that your programs have
4 to be seen as and generally be beneficial to the
5 environment, to the health of the people, and to the
6 economy as well. So we have a lot of work to do to make
7 sure that that really is true.

8 Lastly, I want to just underscore the fact that
9 the effort on the next stage of vehicle emission standards
10 is critical to the future of the Board as well as, as far
11 as I'm concerned, to the future of the planet. Previous
12 presentations have really highlighted how we have to
13 transform our entire transportation system to one that is
14 much closer to zero emission, not just of conventional
15 pollutants, but of greenhouse gases if we're going to have
16 a hope of reaching our climate goals. And that's
17 obviously going to require massive investments on the part
18 of many people. This is not just something that's going
19 to be done by Detroit or the auto manufacturers alone or
20 even by the auto companies and the fuel providers. It's
21 going to take communities and businesses and electric
22 utilities and others collaborating.

23 So this is not something that ARB can do by
24 itself. And it essentially isn't something that we would
25 want to undertake without, if at all possible, a strong

1 partnership at the federal level with the agencies that we
2 deal with there.

3 And we are working very hard. We adjusted our
4 schedule, as I'm sure many of you have noticed, to push
5 back the date for us to consider any changes in our
6 regulations in order to try to make sure that we and EPA
7 and NHTSA are all able to use the same data and the same
8 analyses of studies that we're working on together. This
9 is a very big effort that we're involved in. And it will
10 once again I think bring a lot of attention to California
11 in this area.

12 It's also critical, frankly, I think to the core
13 of what this agency is about, which is our automotive
14 regulatory programs, that we do this right. We're already
15 seeing in the new Congress as part of the continuing
16 budget resolution an effort to simply take away the
17 California waiver to pursue our auto emission standards.
18 And while it's not something that we can do much about
19 from here, it's something that our representatives in
20 Washington obviously and the Governor in talking to them
21 are taking seriously and paying a great deal of attention
22 to.

23 So lest you think this is going to be a quiet
24 year, I just want you to know that there's more fun to
25 come in the months ahead. And we welcome at this point or

1 as the year goes on Board members' comments, questions,
2 concerns about how any of these issues are being
3 approached.

4 I guess it would be also useful to just say at
5 the moment how happy I am not only that I've been asked to
6 stay as Chair of the Board, but that all of you are still
7 here, too. And as far as I'm concerned, it's been a great
8 transition. And so a vote of confidence, and we will
9 carry on.

10 Any comments about the presentation from the
11 staff at this point? Yes.

12 BOARD MEMBER SPERLING: I have just one. I think
13 it's a simple question: Offset protocol. I keep hearing
14 people talking about all these offsets and protocol
15 development. What's the role of both -- who's going to be
16 approving those and what's our role in? I mean, this
17 could be a proliferation; right? There could be a lot of
18 these.

19 EXECUTIVE OFFICER GOLDSTENE: Our focus is to
20 work on protocols that meet all of the conditions that a
21 protocol needs to meet in terms of additionality and
22 enforceability.

23 Last December, when you adopted the cap and trade
24 rule, you also adopt four sets of protocols. So only
25 those protocols will qualify for compliance with the

1 program. We are working on developing a handful of other
2 protocols that eventually when they're ready would come to
3 the Board for consideration. But until then, there are no
4 other protocols that we would accept under the program.
5 But there are a lot of people talking about it that's
6 true. And we're engaged in some of those discussions at
7 some of the local, national, and even the international
8 level.

9 BOARD MEMBER SPERLING: We want to encourage
10 those; right?

11 EXECUTIVE OFFICER GOLDSTONE: We do.

12 BOARD MEMBER SPERLING: What's the approval
13 process? Does it go to the Board?

14 EXECUTIVE OFFICER GOLDSTONE: Yes. Any new
15 protocol in addition to the ones you've already considered
16 and acted on would have to come to the Board for approval
17 before it would be acceptable into the program.

18 BOARD MEMBER SPERLING: Do you anticipate any
19 coming up this year?

20 EXECUTIVE OFFICER GOLDSTONE: It's possible that
21 there might be one or two that we could bring to you later
22 this year. But, again, these are, as you know, very
23 complicated.

24 And we're working also with our Western Climate
25 Initiative partners on a series of protocols that all of

1 the partners could adopt, which adds to the layer of
2 challenge. It's possible we might have one or two that we
3 could bring later this year.

4 BOARD MEMBER SPERLING: Thank you.

5 CHAIRPERSON NICHOLS: Other questions or comments
6 at this point?

7 EXECUTIVE OFFICER GOLDSTENE: If it's all right,
8 I think Mr. Kennedy -- Dr. Kennedy would like to say a few
9 parting words.

10 CHAIRPERSON NICHOLS: I'm sorry. We can't
11 possibly spare the time. Welcome.

12 BOARD MEMBER SPERLING: Or there might be some
13 conditions.

14 CHAIRPERSON NICHOLS: How about an offset here?

15 EXECUTIVE OFFICER GOLDSTENE: Ask him about
16 offsets.

17 BOARD MEMBER SPERLING: WRI is going to do all
18 the work.

19 DR KENNEDY: Thank you, Chairman Nichols and Mr.
20 Goldstene.

21 I just wanted to express my thanks to the Board
22 for all of the amazing work that you all have done as the
23 staff and management to the agency has been in the process
24 of developing an overall comprehensive climate program in
25 the last several years more or less from scratch.

1 The vehicle program, of course, was already
2 moving ahead on climate issues before AB 32 passed. But a
3 little less than four years ago, I joined ARB as part of
4 the initial staffing up in order to be able to create the
5 comprehensive program.

6 I'm really proud of the team that we've been able
7 to put together here at ARB, the working relationships
8 we've been able to establish with the other agencies, and
9 with outside organizations, like the World Resources
10 Institute.

11 But I think the seriousness and attention and
12 time that you as Board members have been able to take as
13 we have been very much on the leading edge developing a
14 cutting edge program and demonstrating once again
15 California's leadership, your work has been critical for
16 this as well. So I've been very proud to be a part of
17 this.

18 I'm looking forward in my new position at the
19 World Resource Institute. Part of my job is going to be
20 working to find opportunities to support what states and
21 regions are doing around the country, including
22 California, but also finding opportunities for others to
23 be joining as California leads and working as well to try
24 to make sure that we're laying a groundwork so that as we
25 look forward to a future Congress, perhaps we can move

1 back from playing defense at the moment to trying to be
2 able to get something comprehensive going at the federal
3 level.

4 So I expect that I will continue interacting with
5 many of you and with folks here at ARB. I'm really
6 looking forward to the new opportunity, but I'm also very
7 proud and very thankful for the opportunities that I've
8 had to work in helping create the program that we have.
9 So thank you.

10 CHAIRPERSON NICHOLS: Thank you, Kevin.

11 I think we can all agree you've done an
12 extraordinary job with shepherding the program to the
13 point where it is today. And actually I was only half
14 kidding when I said that I consider WRI part of our staff.
15 But WRI has, as a national organization, played a leading
16 role in helping to shape the public awareness and to bring
17 some very important analytical technical support to the
18 programs that we are now in the process of implementing.
19 So it has been a very productive relationship. And I can
20 only imagine that it will increase and become more
21 effective with you in D.C.

22 Of course, I do think that the Board should take
23 personal pride and credit in the fact that your work is
24 what's led you to be offered this great position in
25 Washington. And we would be very happy to take a

1 percentage or fee as a result that you're going to work
2 for a well-funded organization. But in all seriousness,
3 it is a very prestigious position that Kevin is going to
4 and well deserved, and one from which I believe, in fact,
5 he will be in a position to help us communicate well with
6 other States and national organizations about what's going
7 on here. So we're trying to accept this in a positive
8 light and view it as something that's going to be
9 constructive for us. And it certainly will be. So we
10 wish you the very best. And thank you for all you've done
11 to make the climate program a success.

12 (Applause)

13 CHAIRPERSON NICHOLS: Okay. The Ombudsman report
14 from the Ombudsman. We've asked for a report, and this is
15 really a good opportunity I think to hear from La Ronda
16 Bowen. La Ronda has been here for a year and a half. It
17 seems like time has flown. And when she came, it was with
18 a vision of making the Air Resources Board Office of the
19 Ombudsman one of the most effective in the nation by
20 ensuring that the voices of California's small business
21 owners are heard and their perspective is thoroughly
22 integrated into ARB's decision making. And she took that
23 task on with great energy and enthusiasm.

24 The Ombudsman's office is not just a place where
25 the telephone that people can call. Under La Ronda's

1 leadership, it has been proactive and responsive. Really
2 looking for opportunities to infuse small business
3 thinking into our organization, across the organization,
4 and into all of our programs and to identify areas where
5 ARB already is engaged some small business assistance,
6 listening and job creation to help build on and enhance
7 and integrate those kinds of efforts.

8 Under Ms. Bowen's leadership, the Ombudsman
9 office has reached out in a very effective way to
10 environmental groups, local governments, and other public
11 agencies to find common ground and new ideas for
12 strengthening California's economy. So whenever I have
13 had an opportunity or have had to cancel on an opportunity
14 to go talk to organizations that represent small
15 businesses, I've always known that I could count on La
16 Ronda to go fill in. And the report back was generally
17 where have you been hiding this person and great gratitude
18 for the fact that we have her with us.

19 So I'm very pleased to now turn this over to her
20 and ask her to give us an update on what she's been doing.
21 Do we want to have James -- do you want to say a few words
22 first?

23 EXECUTIVE OFFICER GOLDSTONE: I was going to say
24 the same thing that you said. La Ronda has done a great
25 job of not only external outreach and communications, but

1 internally I think she's helping change our culture to be
2 more sensitive to the needs of the groups that she works
3 with.

4 CHAIRPERSON NICHOLS: Thanks.

5 (Thereupon an overhead presentation was
6 presented as follows.)

7 OMBUDSMAN BOWEN: Thank you, Chairman Nichols and
8 Mr. Goldstene. Good morning, members of the Board and
9 also members of the public.

10 One year ago, I presented the first business plan
11 for the California Air Resources Board's Ombudsman. I'm
12 here today to report back to you on how we're doing with
13 that implementation and what difference we're making. So
14 I'm quickly review the mission and key functions of the
15 Ombudsman and then share what has happened in the past
16 year, including some of the results from our many
17 collaborations. You heard a lot about collaboration and
18 that's how we've been getting things done. I'll conclude
19 with what we expect to accomplish over the next year and
20 respond to any questions that you or others may have.

21 --o0o--

22 OMBUDSMAN BOWEN: The Ombudsman fulfills an
23 important part of CARB's mission and the office supports
24 CARB in achieving federal and State clean air objectives
25 by ensuring that the perspectives of California's small

1 businesses and all stakeholders are integrated into CARB's
2 policies, our regulatory processes, and our procedures.
3 We act as a liaison between the regulated businesses, and
4 stakeholders, and CARB agency. In a nutshell, our mission
5 is to ensure a place at the table for all interested
6 stakeholders. We emphasize small business owners and
7 operators, because they're directly affected by our
8 regulations and often lack the resources to participate in
9 the regulatory process. And sometimes they're actually
10 just fearful of participating.

11 --o0o--

12 OMBUDSMAN BOWEN: The Ombudsman has several key
13 functions. The first one is to meet legal mandates for
14 outreach, education, stakeholder engagement and business
15 compliance assistance. We also provide traditional
16 Ombudsman functions of advocacy and problem investigation
17 and, where possible, resolution. We participate in policy
18 development and implementation.

19 --o0o--

20 OMBUDSMAN BOWEN: The outcomes that the Ombudsman
21 seeks in return for investment of taxpayer resources are
22 identified in these mandates. And we actively want to
23 have more stakeholder engagement.

24 So our legal mandates, the Ombudsman functions
25 are mandated by federal and State law. It's not just

1 something that we thought up one day. Section 507 of the
2 1990 Clean Air Act amendments required each State and the
3 territories to reach out to small businesses with
4 compliance and technical assistance, including information
5 in plain language. So our office was initiated to meet
6 part of the requirement. Other traditional partners in
7 California and providing this kind of compliance
8 assistance have been the local air districts. The
9 businesses environmental resource group here in Sacramento
10 is a long-standing business association that helps. Trade
11 associations help. We work with suppliers.

12 In 2011, CARB will form a group of business
13 advisors to help us better understand how to engage and
14 serve our small business owners. This is a task that we
15 have agreed to do, and we are going to follow up on that
16 this year.

17 CARB Ombudsman is also linked into a nationwide
18 network of small business assistance providers who
19 collaborate on compliance issues. We share tools and work
20 to ensure the maximum utilities of our limited resources.
21 We share small business perspectives on regulatory
22 implementation, as well as on EPA proposed regulations
23 with U.S. and regional offices. And we encourage small
24 business participation in regulatory development. And we
25 do this just as the group of 507 programs. So we are

1 working that way.

2 --o0o--

3 OMBUDSMAN BOWEN: Other legal mandates. The
4 California Government Code has a similar requirements for
5 CARB's Ombudsman, such as to receive and respond to
6 complaints and also various outreach and reporting
7 functions. Most of California's environmental regulations
8 have an economic and health consideration, as well as
9 environmental element build into them.

10 So we're working with partners inside and out of
11 government to find collaborative ways to achieve these
12 objectives. You've heard a lot about collaboration.

13 We are actively engaged with other Cal/EPA
14 Ombudsmen, with the California Workforce Investment Board.
15 In fact, there is a business resources catalogue that will
16 be up on our website. But it's a document that we helped
17 fund for the -- so that business owners and operators
18 could find resources statewide.

19 --o0o--

20 OMBUDSMAN BOWEN: We're taking steps to remove
21 barriers to greater cooperation among ourselves. And one
22 example is this resource guide. So I'm happy to say that
23 California has also a procurement goal that asks agencies
24 to spend 25 percent of their contracting dollars with
25 small businesses and 3 percent with disabled veterans.

1 One of our small business contractors was spotlighted in
2 the Sacramento Business Journal helping with CEQA. So
3 there you have it. We actually helped them grow. We have
4 three percent with Disabled Veteran Businesses
5 Enterprises.

6 Our Administrative Services Division manages this
7 procurement requirement. And for 2009 and 2010, CARB
8 slightly exceeded the goal for small minority business
9 enterprises. The goal is 25 percent. We did 25.19. So a
10 little bit more. We were just under the goal for disabled
11 veteran businesses enterprises. They're getting harder to
12 find for everybody. But the goal is three percent and we
13 achieved one-and-a-half. This on a approximately \$14
14 million worth of contracts. So, last year, we exceeded
15 the small business goal, and it was about the same for the
16 disabled veterans.

17 --o0o--

18 OMBUDSMAN BOWEN: Another legal mandate that we
19 have is found in the California Education Code. And we
20 coordinate compliance with the California Education and
21 Environmental Initiative.

22 Happily, in January of 2010, the State Board of
23 Education approved the education K through 12 curriculum.
24 So we'll have this. There is copies outside of these
25 things I'm holding up for others. But they're all

1 Mayor, San Joaquin Valley Clean Energy Office, and the
2 Contractors RHA.

3 --o0o--

4 OMBUDSMAN BOWEN: In 2010, when I talked to you
5 for the first time, I made some commitments to you. I
6 committed that we would identify a pool of small business
7 leaders to help enhance stakeholder engagement. I said
8 that we would identify ways to include economic
9 opportunities as well as emission reductions in our
10 strategic thinking, and that we would work to ensure small
11 business perspectives have a place at the policy table.

12 --o0o--

13 OMBUDSMAN BOWEN: In many of these areas we can
14 report progress, but not victory. So we have definitely
15 made progress. Are we all the way where we want to be?
16 No.

17 We reached out to over 300 business associations
18 during 2009 and 2010. And what happened as a result of
19 that initial outreach is that in 2010 some of these people
20 reached back to us, and they asked us to help them explain
21 AB 32 and they asked for help with the on- and off-road
22 rules that we would help them explain these thing to their
23 constituents. That's a big part of why we're here.

24 CARB can't make a success of any policy on our
25 own, no matter how beneficial it is to the public or to

1 the environment. Others that -- unless we have the muscle
2 and the wisdom of the business owners, they have to
3 actually get behind what we propose. So we stepped up to
4 our commitment and strengthened our relationships with
5 these stakeholders.

6 And did you know that small businesses with
7 between one and 20 people historically create more than 90
8 percent of all the new jobs? So we have reached out more
9 to the very smallest businesses. And we've helped -- we
10 have to be sure that these companies as well as those
11 employing larger numbers, 100 or 200 or more, take
12 advantage of the economic opportunities by the expansion
13 of the new and sustainable economy. So we're learning
14 from new partners, like the Small Business Alliance in
15 Southern California and the L.A. Industrial Council, the
16 Forestry Association, and others. We worked with the
17 California Black Chamber of Commerce. We've reached out
18 just across the board to stakeholders that haven't
19 traditionally participated with us in many ways. We
20 reached out to broaden our and our stakeholders' views of
21 the economic opportunity inherent in regulations.

22 Ombudsmen began monitoring and reporting on the
23 California businesses who win small business innovation
24 and research grants so that we know who's actually getting
25 money to actually do the research and we can support them

1 assistance, we're working with all the Cal/EPA agencies.

2 We also intend to increase the confidence of our
3 customers that when they bring a problem to the CARB, it
4 will be taken seriously and resolved as expeditiously as
5 possible. We can't always resolve everything, but we'll
6 do it as expeditiously as we can.

7 A final Ombudsman priority and really an
8 agency-wide priority for 2011 is to monitor and reduce the
9 number of third-party complaints by encouraging
10 stakeholders to contact us first. We do listen. And, for
11 example, our Board Member Sandra Berg learned through the
12 TRAC Committee some school districts do not have
13 confidence that the retrofits can work for them, for
14 example. So she has challenged the school districts and the
15 retrofit manufacturers to join her in the field to find
16 out what is happening and to make sure that the problems
17 are resolved: Clarified, identified, and resolved.

18 We invite all of our customers to share ideas on
19 how we can engage them more proactively. And as your
20 Ombudsman, I will continue to seek input from you and from
21 all of our stakeholders in ways to achieve a healthy
22 environment while maintaining and achieving a healthy
23 economy.

24 This concludes my report.

25 CHAIRPERSON NICHOLS: That's a lot for a very

1 small office. I see you have your staff here.

2 OMBUDSMAN BOWEN: All four of them. We also have
3 one individual and two students in El Monte. And they,
4 working with the Communications two staff or so that are
5 there, have redesigned the entrance to the El Monte
6 office. So if you actually come there, there is now a
7 reception to welcome you. The students are still doing
8 the hotline, but they're physically in a nice reception
9 area. You don't have to sign yourself in and hope that
10 somebody answers the intercom.

11 CHAIRPERSON NICHOLS: Makes a huge difference.
12 Thank you.

13 Questions or comments?

14 OMBUDSMAN BOWEN: Can we introduce Brian?

15 MR. EHLERS: Good morning, Chairman Nichols and
16 members of the Board. I'm Bryan Ehlers, Assistant
17 Secretary for Education and Quality Programs with Cal/EPA.

18 In reference to one of the slides that La Ronda
19 introduced a few minutes ago, the Education and the
20 Environment Initiative, I wanted to come here this morning
21 and to thank the Board for your support of the EEI. Just
22 in the last year, in fact, as La Ronda mentioned, the
23 curriculum, all 85 units of science and social science
24 K-12, were approved by the State Board of Education and
25 wouldn't have been possible without your support. We're

1 now engaged in implementation statewide where we reach 6.2
2 million children. This is unprecedented. It's one of its
3 kind, both in the nation and we believe internationally.
4 And again just wanted to come here and thank you for your
5 support.

6 CHAIRPERSON NICHOLS: Well, thank you for coming
7 and joining us. I have had a chance to look at the
8 curriculum and a number of the products. And I really am
9 impressed by the quality of this effort, and I know it's
10 been well received. I gather there's an ongoing effort
11 now through a private organization to help try to get the
12 materials out there into classrooms. And if there are any
13 Board members who either personally are involved or know
14 of people who are involved in organizations that are
15 working with schools to provide materials that are useful
16 to teachers and students, this is a very worthwhile
17 effort.

18 MR. EHLERS: Please direct them our way. We're
19 engaged in a four year \$22 million effort to raise
20 public/private partnerships, because currently there isn't
21 the budget to get the materials printed and in the hands
22 of teachers. They're available for free on the web. But
23 please through your staff contact us if you have anyone
24 who would like to support.

25 CHAIRPERSON NICHOLS: Thanks.

1 EXECUTIVE OFFICER GOLDSTENE: I'd like to thank
2 Brian and his team, because they've been working with my
3 daughter's fourth grade teacher to try to get her the
4 books and get into the school my daughter goes to. It's a
5 really good curriculum.

6 CHAIRPERSON NICHOLS: Well, it's an incredibly
7 arduous process to get materials approved for actual use
8 in California schools. We are a very tough state to
9 enter. And these are all products that meet California's
10 very high standards for teaching to the basic skills that
11 are required, and they're interesting and obviously very
12 relevant. And from our perspective, although we, too,
13 are -- we don't have any funds at this point that are left
14 over to contribute to this kind of an effort, but I think
15 all of us recognize that without an opportunity to get
16 kids good information about the environment, they're going
17 to be left in the dark as citizens in the future,
18 regardless of whether they make their careers in this
19 area.

20 There's such a high degree of interest and so
21 much information coming at people through all of the media
22 about what's going on and the environment. And the
23 curriculum materials that were developed through this
24 effort really will help people think about that
25 information, organize it, and evaluate a lot of the noise

1 that's out there in the world. So it's been a pleasure to
2 have even a small role in supporting this. Thank you.

3 MR. ALBERT: We very much appreciate it.

4 CHAIRPERSON NICHOLS: Okay.

5 BOARD MEMBER BERG: I have one comment that I
6 would like to thank La Ronda for her effort. I've worked
7 in a couple of stakeholder groups and small business
8 groups, and I really do appreciate the year that you have
9 spent. You have brought this department full speed. You
10 had a tremendous challenge. It is -- it was part of the
11 missing glue for us to be able to reach the stakeholders,
12 especially the small businesses. And I really appreciate
13 yours and want to thank your department. It's been a
14 great job. It's been a pleasure working with you. Thank
15 you very much.

16 CHAIRPERSON NICHOLS: When La Ronda agreed to
17 come and take this job, she promised that she wouldn't
18 believe until she cloned herself. So we intend to enforce
19 that agreement.

20 Any other questions or comments on this report?

21 Are there any public members who wanted to
22 comment on this item?

23 All right. Seeing none, we have one more
24 informational report this morning. This is one the Board
25 asked for. It's an update on the regional greenhouse gas

1 reduction target for the Southern California Association
2 of Governments, affectionately known as SCAG. We will
3 hear from our team that's been working on this item. This
4 is another good news report I think.

5 So while they're making their way up here, last
6 September, the Board kicked off an important regional
7 planning process to encourage the development of
8 sustainable community strategies as envisioned in SB 375.
9 The focus of SB 375 is on integrating land use and
10 transportation strategies which can be incorporated into
11 regional transportation plans, which in turn leverage very
12 important funds that are used for development at the local
13 level.

14 The Board's role was to set the targets under
15 this statute for the regional planning process and we
16 completed that task. It was quite an interesting journey,
17 but it involved both a Regional Technical Advisory
18 Committee on how to set the targets and a very extensive
19 communication with the State's metropolitan planning
20 organizations. The staff report today is a follow-up on
21 the testimony that we heard at that meeting from SCAG,
22 which specifically requested that we continue the
23 discussion between ARB and SCAG on the feasibility of the
24 number that we had assigned to them.

25 I want to especially thank Mayor Loveridge for

1 his leadership as a member of our Board and the South
2 Coast Air Board and the SCAG Board in all three roles. He
3 met with himself several times. But he also facilitated a
4 number of other very important interagency discussions
5 over the past few months.

6 In all seriousness, this was a very important
7 contribution that he made. So James, you want to
8 introduce this item?

9 EXECUTIVE OFFICER GOLDSTONE: Thank you, Chairman
10 Nichols.

11 When the Board megawatt last September on SB 375,
12 we were directed to come back this month with a status
13 report on our discussions with SCAG. That process is
14 complete, and California is now in the implementation
15 stage of SB 375.

16 SCAG's Executive Director has partnered with us
17 on identifying specific funding and tools needed for
18 successful implementation of SB 375 based on the
19 recommendations of SCAG's Regional Counsel. Staff will
20 discuss the progress made to date.

21 Within the SCAG region, there are numerous
22 ongoing efforts that demonstrate regional cooperation and
23 positive steps toward sustainable community planning. In
24 addition, SCAG is moving forward with improvements to its
25 travel models, which the State has been able to support

1 with Prop. 84 modeling grants awarded by the Strategic
2 Growth Council about a year ago.

3 We will also update you on the timing of SB 375
4 implementation in other regions. The first regional
5 transportation plan to incorporate the sustainable
6 communities strategy will be San Diego later this year.
7 We're pleased to see the progress being made in several
8 regions as they move forward to develop their sustainable
9 communities strategies. This Board has completed its task
10 of target setting, and the MPOs are doing the heavy
11 lifting.

12 But ARB continues to encourage collaboration and
13 lend our support as needed to the MPOs.

14 Ms. Terry Roberts from our Air Quality and
15 Transportation Planning Branch will start the staff
16 presentation. Terry.

17 (Thereupon an overhead presentation was
18 presented as follows.)

19 MS. ROBERTS: Thank you, Mr. Goldstene. Good
20 morning, Chairman Nichols and members of the Board.

21 This is an informational update requested by the
22 Board last September on discussions that have occurred
23 between ARB and the Southern California Association of
24 Governments, or SCAG, regarding SCAG's 2035 regional
25 greenhouse gas target. This update to the Board satisfies

1 the condition set forth in the Board Resolution Number
2 10-31 for a February update. No Board action is required.

3 --o0o--

4 MS. ROBERTS: This presentation will cover the
5 following information.

6 I will begin with a recap of the Board's
7 September 2010 direction to staff and report on the
8 discussions that have taken place since.

9 Next, I will highlight SCAG's Compass Blueprint
10 Projects, which are part of the region's sustainable
11 communities efforts.

12 I will provide a summary of the status of funding
13 for SB 375 planning activities in the SCAG region which
14 will support SB 375 implementation.

15 Lastly, I will give a short update on the status
16 of SB 375 planning in other major regions.

17 --o0o--

18 MS. ROBERTS: When the Board considered targets
19 for the 18 MPOs last September, you placed a condition on
20 SCAG's 2035 target of 13 percent per capita reduction in
21 greenhouse gas emissions from 2005 levels.

22 The condition was placed on SCAG's 2035 target
23 because of concerns expressed by the SCAG Regional Council
24 that resource and other constraints could prevent the
25 region from meeting the 13 percent target proposed by ARB

1 staff.

2 --o0o--

3 MS. ROBERTS: The Regional Counsel articulated
4 its concern by identifying 11 recommendations that would
5 enable the region to meet its 2035 target in a sustainable
6 communities strategy. These recommendations generally
7 address the resource constraints faced by the region and
8 the need for increased collaboration and supportive action
9 from all levels of government: Local, State, and regional
10 and federal. The intent of the recommendations is to
11 begin discussion on how to address funding and resource
12 issues that will require collaborative solutions.

13 In September, the Board heard SCAG's concerns and
14 directed ARB staff to continue discussions with SCAG and
15 to report the results of those discussions in February
16 2011 at this meeting.

17 --o0o--

18 MS. ROBERTS: Since last September, ARB staff has
19 had several discussions with SCAG leadership and staff
20 regarding the 2035 target and the Regional Counsel's
21 recommendations.

22 ARB staff continued to work with SCAG through the
23 MPO working group which meets monthly and has also met
24 separately with SCAG staff to further discuss their
25 recommendations. Through these discussions, ARB and SCAG

1 have come to a common understanding that the availability
2 of funding and resources for transportation planning,
3 infrastructure, and operation is one of the critical
4 issues that will remain relevant to this and future
5 target-setting processes.

6 Both agencies agree that recent grant awards at
7 the State and federal levels towards local and regional
8 sustainable community planning are promising first steps
9 towards addressing the fundamental resource issue
10 highlighted by SCAG's recommendations.

11 We also agree that continued collaboration will
12 be critical to ensure these and other resources continue
13 to be made available for sustainable communities
14 development.

15 --o0o--

16 MS. ROBERTS: At the February 3rd meeting of the
17 SCAG Regional Counsel, the SCAG president, Mr. Larry
18 McCallon, reported on the status of our interagency
19 discussions. SCAG's primary concern is not with the
20 targets themselves, which they do not expect will change
21 and which they believe they can meet. Rather, SCAG is
22 seeking assurance that ARB will again consider the
23 Regional Counsel's recommendations when the Board reviews
24 and updates the regional targets in four years.

25 The president also expressed SCAG's desire for

1 ARB to participate with SCAG in funding their Compass
2 Blueprint Program. Based on this outcome of the
3 discussions, the 2035 target conditionally approved by
4 this Board was affirmed.

5 SCAG's request for consideration of its
6 recommendations in future target-setting is consistent
7 with the Board's intent as expressed in your September
8 2010 resolution. That resolution calls for an update
9 every four years to review target implementation progress.
10 This includes discussing the potential need to update
11 targets to reflect the level of funding for transportation
12 planning, infrastructure and operations, and other
13 factors.

14 ARB staff will continue to work with local,
15 regional, State, and federal agencies and MPOs to track
16 available resources for implementation of sustainable
17 communities strategies.

18 --o0o--

19 MS. ROBERTS: As I mentioned a moment ago, there
20 has been progress on identifying and securing resources
21 for sustainable communities planning.

22 Since September, additional resources have become
23 available to the SCAG region. State and federal dollars
24 were secured last winter by SCAG and many of its local
25 jurisdictions for sustainable communities planning and

1 transportation infrastructure that supports sustainable
2 planning.

3 At the State level, planning funds were awarded
4 by the Strategic Growth Council. At the federal level,
5 the U.S. Department of Housing and Urban Development and
6 the U.S. Department of Transportation provided funds
7 through the federal partnership for sustainable
8 communities. And prospectively, ARB staff is working on
9 an interagency agreement with SCAG to provide funding for
10 three local demonstration projects.

11 --o0o--

12 MS. ROBERTS: The interagency agreement that is
13 under development would provide ARB funding to SCAG for
14 several local demonstration projects, which have been
15 identified through the Compass Blueprint Demonstration
16 Program. These projects were selected because they
17 demonstrate the kinds of planning actions needed to make
18 SB 375 implementation a success.

19 The Compass Blueprint Demonstration Program is a
20 SCAG program that, for the past several years, has funded
21 a variety of sustainable development projects that are
22 consistent with the region's vision for a sustainable
23 future. These projects provide models for local
24 governments to learn from and emulate. This year, the
25 program will focus on projects that specifically reduce

1 greenhouse gas emissions from vehicular travel.

2 The response by local governments and other
3 applicants to the Compass Blueprint Demonstration Program
4 has been tremendous. In fact, this year's demand greatly
5 exceeds SCAG's ability to fund. Sixty-three applications
6 were submitted to SCAG last October, proof of significant
7 interest on the part of the region's cities, counties,
8 sub-regions, and transportation agencies to plan and build
9 sustainably and to help the region meet its greenhouse gas
10 emission goals. But this level of interest also
11 demonstrates a tremendous need for the resources to do it.

12 The interagency agreement with SCAG would provide
13 ARB contract funds for three of the 63 Compass Blueprint
14 Demonstration Projects. These planning projects would be
15 initiated this spring and be completed over the next eight
16 to 18 months. Each project would provide a module for
17 three distinct aspects of sustainable communities
18 planning. These three aspects include:

19 First, to illustrate subregional sustainability
20 planning, we would like to fund the Western Riverside
21 Council of Governments Sustainability Framework Plan. The
22 objective of this project is to develop a framework policy
23 document that will be used to identify strategies for
24 improved transportation systems, renewable energy
25 generation and transmission, water and waste water

1 delivery, economic development, health care, and
2 education. A specific goal of this project is to reduce
3 vehicle miles traveled, in particular, from vehicle trips
4 out of the region for employment, health services, and
5 other purposes.

6 The second project demonstrates a reuse plan to
7 transform existing development to transit-oriented, mixed
8 commercial, and residential uses. This plan would include
9 green building guidelines and enhanced metro link access.
10 This project is the La Mirada specific plan which would
11 establish a plan for reuse of existing industrial and
12 commercial properties along the I-5 corridor. Specific
13 goals of this project are to meet the city's regional
14 housing needs with a mix of densities, reduce vehicle
15 miles traveled, and contribute to regional greenhouse gas
16 reduction.

17 And the third project we would like to fund is
18 the L.A. Metro Orange Line Bus Rapid Transit, or BRT,
19 Sustainable Corridor Implementation Plan, which
20 illustrates the aspects of transportation corridor
21 planning. The objective of this project is to develop a
22 plan for the 18 stations along the 18-mile-long transit
23 corridor that extends from Los Angeles to the San Fernando
24 Valley. It would ensure the design of new transit
25 stations is compatible with surrounding uses and will

1 maximize ridership through improved corridor design and
2 connectivity to the stations through more walkable and
3 bikable streets.

4 --o0o--

5 MS. ROBERTS: On December 3rd of last year, the
6 Strategic Growth Council awarded grant funds to several
7 MPOs, including SCAG, for sustainable communities
8 implementation work. The funding is from the first cycle
9 of the Proposition 84 planning grant program. SCAG was
10 awarded one million to put towards their work on
11 sustainable communities development. In addition, 14
12 individual cities, counties, and one sub-region were also
13 awarded funds totaling just over \$6 million for local
14 sustainable land use planning. This amounts to a grand
15 total of just over \$7 million in local implementation
16 dollars to the SCAG region as a whole.

17 MPOs a group were specifically targeted for SGC
18 funding to help them with SB 375 implementation. The
19 total grant award to eleven MPOs was slightly over \$7
20 million. That is one million for SCAG as an MPO and six
21 million to the other ten MPOs that applied for the funds.

22 It doesn't stop there. The SGC is responsible
23 for administering the competitive grant process for the
24 distribution of over \$60 million in regional and local
25 sustainable planning grants.

1 The awards last December represent the first
2 cycle of funding from this pot of Prop. 84 funds. Two
3 additional cycles of funding are anticipated, with the
4 expectation that additional funding will be provided to
5 MPOs and local governments over the course of the next few
6 years.

7 --o0o--

8 MS. ROBERTS: In addition, this past October, the
9 Federal Partnership for Sustainable Communities began
10 releasing local grants to support more livable and
11 sustainable communities across the country. The
12 partnership, which consists of the U.S. Department of
13 Transportation, US DOT, U.S. Department of Housing and
14 Urban Development, HUD, and the U.S. Environmental
15 Protection Agency, EPA, awarded a combined sum of over
16 \$400 million nationwide.

17 California communities received over 11 million
18 of these funds. Communities in the Southern California
19 region received nearly \$3 million for sustainable
20 communities planning.

21 The US DOT awarded \$20 million in Tiger II grant
22 funds to the Los Angeles County Metropolitan
23 Transportation Authority for the Crenshaw to LAX light
24 rail project.

25 These State and federal funds are promising signs

1 of progress on the resources front, but we know that much
2 more is needed.

3 Now we'd like to bring you other news about
4 what's going on in two key areas of the state, San Diego
5 County, where SANDAG is currently drafting its sustainable
6 communities strategy, and the San Joaquin Valley, with its
7 eight MPOs.

8 --o0o--

9 MS. ROBERTS: In the San Diego region, SANDAG is
10 making rapid progress on the development of its RTP, which
11 when adopted later this year, will be the first RTP in
12 California to include an adopted sustainable communities
13 strategy and one that is anticipated to exceed its
14 regional targets.

15 SANDAG's 2050 RTP is intended to set the region's
16 agenda for future highway expansion, transit, trains,
17 trollies, bike paths, and border crossings. It does this
18 by considering a number of planning scenarios that project
19 how fast and where the county population will be growing
20 over the next 40 years.

21 A number of public meetings have been held over
22 the past several months, during which various planning
23 scenarios have been discussed and considered by the public
24 and the SANDAG Board. The preferred transportation
25 planning scenario was selected by the SANDAG Board in

1 December for incorporation into the RTP.

2 SANDAG staff estimates that the preferred
3 alternative will exceed the greenhouse gas reduction
4 targets set by this Board last September. Specifically,
5 SANDAG estimates that their SCS will result in an 18
6 percent per capita reduction by 2035 as compared to the 13
7 percent reduction target set by the Board.

8 Work on the RTP is proceeding on a parallel track
9 with the draft environmental impact report, or EIR.
10 SANDAG is planning to publish the draft SCS/RTP in April,
11 with the draft EIR being released shortly thereafter.

12 Once public comments have been considered and
13 incorporated into a final plan, it will be presented to
14 the SANDAG Board for consideration this fall. Adoption of
15 the RTP is anticipated no later than October 2011.

16 In the mean time, ARB staff is staying involved
17 in the technical aspects of the SCS development process so
18 that we can better understand the foundation for the
19 greenhouse gas emission reduction estimates that SANDAG
20 has developed.

21 --o0o--

22 MS. ROBERTS: Last September, the Board set
23 placeholder targets for the San Joaquin Valley in
24 anticipation of the availability of improved data and
25 planning tools by 2012. The Board recognized the need to

1 work closely with the eight MPOs in the San Joaquin Valley
2 toward this end.

3 ARB Board Member D'Adamo and ARB senior staff met
4 with the San Joaquin Valley Policy Council on December
5 15th, 2010, to discuss the ongoing work in the valley
6 related to SB 375. Both Board Member D'Adamo and ARB
7 staff committed to working more closely with the valley
8 MPOs as they begin their policy and technical work which
9 will be presented to the Board at a 2012 target update.
10 ARB continues to meet and discuss these ongoing efforts
11 both one-on-one with the valley MPOs and at monthly
12 meetings of the MPO working group.

13 ARB continues to play an active role in the
14 development of the new modeling tools for the San Joaquin
15 Valley. ARB staff is part of the team made up of the
16 MPOs, Caltrans, and modeling consultants that meets
17 monthly as part of the valley's model improvement plan
18 effort. Several consulting groups are working on
19 different modeling tools to help improve the valley's
20 technical capabilities, particularly to better quantify
21 the greenhouse gas emission implications of local
22 policies. This work includes improvements to the valley
23 MPO's existing models for travel demand, as well as new
24 activity-based travel, land use, and inter-regional travel
25 demand models.

1 Through this collaboration and technical
2 assistance, ARB staff expects that the valley MPOs will
3 have the benefit of improved modeling tools that will
4 enable better quantification of greenhouse gas reduction
5 by the time these MPOs adopt their next RTPs in 2014.

6 --o0o--

7 MS. ROBERTS: Now that ARB's work on target
8 setting is done, the regions are taking the lead in
9 developing sustainable communities strategies and engaging
10 the public in discussions about the future of their
11 respective regions.

12 SANDAG will be the first MPO to adopt an SCS, but
13 planning is also underway in the SCAG and SACOG regions
14 which will adopt their RTPs in 2012. MTC will be the next
15 in line to have a new RTP with expected adoption in 2013.
16 By 2014, the San Joaquin Valley MPOs will be ready to
17 adopt their RTPs.

18 We see very promising signs throughout the state
19 that at both the regional and local levels there is a
20 willingness and desire to move in the direction of more
21 sustainable planning and development. This Board has
22 already expressed its commitment to support those efforts
23 through technical assistance and identification of funding
24 resources.

25 ARB staff looks forward to working with the MPO

1 staffs as they proceed with the important work of
2 developing their sustainable communities strategies,
3 important not only for addressing the State's climate
4 change goals, but also to achieve the broader goal of
5 livable, healthy communities.

6 This concludes my presentation. Thank you.

7 CHAIRPERSON NICHOLS: Thank you, Terry.

8 Do the Board members have any questions about the
9 report? If not, we'll turn to the witnesses who have
10 signed up. We have four people who asked to speak on this
11 matter. The first is Robert Naylor from the Los Angeles
12 County Metropolitan Transportation Authority. Mr. Naylor.

13 MR. NAYLOR: Chair Nichols, Board members, I'm
14 here for the Los Angeles County Metropolitan
15 Transportation Authority. We are committed to meeting
16 these goals, as witness being the first major transit
17 agency in the country to eliminate the last diesel bus, as
18 witness the adoption of an additional half-cent sales tax
19 in 2008 to support transit and transportation in Los
20 Angeles County. So we're now one-and-a-half cents of
21 sales taxes for at least 30 years, and some of those are
22 in perpetuity.

23 But I do notwithstanding all that want to
24 underscore the part of the report which focused on the
25 financial constraints that we face for meeting these

1 goals. We're very pleased that the Governor is continuing
2 transit funding in his budget that was restored to about
3 \$350 million a year last year as part of sort of the grand
4 bargain. But we are now in the process, notwithstanding
5 that and the sales tax, of cutting \$100 million out of
6 transit services to meet that much of an operating deficit
7 shortfall. And so we are looking forward to State and
8 federal help. We've pretty much put up as much local help
9 as we can to expanding transit service in the future.
10 We're not going to be able to do it with current
11 resources. And we're glad the staff report kind of
12 passively recognized that.

13 Thank you.

14 CHAIRPERSON NICHOLS: Thanks for that reminder.
15 It's timely, that's for sure.

16 Unfortunately, the same bad economy that's hurt
17 our budget has had one positive impact, I suppose, which
18 is there's been some reduction in overall greenhouse gas
19 emissions due to reduced travel. So that's about the only
20 comfort that we can take.

21 Autumn Bernstein on behalf of Climate Plan.

22 MS. BERNSTEIN: Good morning, Madam Chair,
23 members of the Board. Autumn Bernstein speaking on behalf
24 of Climate Plan and also on behalf of the Natural
25 Resources Defense Council today.

1 We just want to thank ARB staff and Board members
2 as well as SCAG staff and Board members for their
3 leadership on resolving these issues. We think that the
4 discussions that have occurred over the last several
5 months have been incredibly valuable in identifying what
6 kinds of programs, investments, priorities are going to be
7 needed for on behalf of the both the State agencies as
8 well as MPOs to successfully implement SB 375 and harness
9 the benefits of more sustainable communities. And we look
10 forward to working with you, both you and SCAG, in the
11 future as we move to implementation.

12 CHAIRPERSON NICHOLS: Thank you.

13 Bonnie Holmes-Gen from the American Lung
14 Association.

15 MS. HOLMES-GEN: Good morning still, Chairman
16 Nichols and Board members.

17 I'm Bonnie Holmes-Gens with the American Lung
18 Association of California. Thank you for resolving these
19 issues, but thank you for resolving your leadership in
20 setting these targets last fall. It was a challenging
21 process, and we all worked very hard on that. And we
22 appreciate the good work that was done and look forward to
23 the implementation efforts.

24 I just want to underscore again that the public
25 health community is very focused on this SB 375

1 implementation process as a key public health priority
2 because of the tremendous ability to make a difference in
3 reducing pollution, increasing physical activity, and
4 reducing chronic illness. And we want to work together
5 with you as we go through this process to use the modeling
6 tools we have and other resources to better quantify and
7 communicate these public health benefits to local
8 government leaders and the MPOs as we go through the SCS
9 development process that you laid out. And we'd like to
10 brainstorm further with you how we can better collaborate
11 with you on that.

12 We look forward to -- of course, there's going to
13 be a lot of emphasis on the SCAG region over this next
14 year and SCAG success is critical to the overall success
15 of 375. And we fully support the efforts that you've laid
16 out to help direct funding to the SCAG region and support
17 pilot projects in that area as well as, of course, to
18 other regions. And we look forward to working with you
19 again to emphasize healthy growth strategies and promoting
20 active transportation, walking, biking transit and the
21 transit-oriented development that you've laid out in the
22 pilot project.

23 So we look to forward to any suggestions that you
24 have about how we can better work together. We think it's
25 extremely important to use all the modeling tools and the

1 resources we have available to really clarify to the
2 public the health benefits and other co-benefits that
3 we're going to get with the strong implementation process.

4 CHAIRPERSON NICHOLS: Thank you.

5 Connie Gallippi from California Infill Builders.

6 MS. GALLIPPI: Good morning, Madam Chair and
7 members.

8 Connie Gallippi here on behalf of the California
9 Infill Builders Association. Obviously, the California
10 Infill Builders Association represents business and the
11 development community. And they're very supportive of
12 strong targets and feel they're good business and make
13 good business sense for California's economy.

14 We're already sort of obviously as builders
15 looking at the market and watching very closely market
16 demand. And market demand has been looking for more
17 options, more walkable and healthy communities, and
18 sustainable communities. And recent press has shown that
19 multiple unit housing counts are up and higher than
20 single-family homes as well. So that sort of represents
21 the market demand.

22 Many of the members of the association are
23 already building projects that would help meet these
24 targets. One example in the SCAG region is by Creative
25 Housing Association is the Meridian Village Project, which

1 was sold out immediately in 2010. So in the current
2 economic downturn, sold out immediately and also reflected
3 sales prices that were 26 percent above the average. So I
4 think that right there says an awful lot.

5 So I just wanted to reiterate that as a business
6 and development association made up of many developers in
7 California, supportive of high targets, we think it's very
8 good business sense while also be helping California meet
9 its climate change goals, as well as other environmental
10 goals and sustainability goals for the state.

11 Thank you.

12 CHAIRPERSON NICHOLS: Well, thank you. Thanks
13 for taking the time to come. And thanks to everybody for
14 all the hard work that you're doing to make SB 375 a
15 success. I think its secret is that it works with so many
16 other goals that people have. It's not a new attempt to
17 impose some new policy but to work with existing policy.

18 Mayor Loveridge.

19 BOARD MEMBER LOVERIDGE: Thank you, Mary. Just
20 very, very quick things.

21 First, thank you to the Board for this
22 opportunity to have a conversation between SCAG and CARB.
23 I think this opportunity is well taken. SCAG is 19
24 million people, 180 cities, six counties. We're a big
25 place. It's much better to have SCAG as a participant and

1 partner than it is to have as an adversary or opponent.

2 I think I want to particularly acknowledge that
3 CARB staff. I think SCAG found the conversations not
4 simply helpful, but respectful and engaging and important.
5 So I thank you very much for the CARB staff who
6 participated and reported back to me. They gave high
7 marks to those conversations and obviously applaud the
8 demonstration plans that have been funded.

9 There are a variety of ways that I think regions
10 are going to engage SB 375 and a variety of tools. But as
11 you move from plans to practice, one major difficulty that
12 regions will have and cities will have depends on the fate
13 of the redevelopment tool. Without redevelopment funding
14 and resources, I think it dramatically reduced --
15 complicate the objectives of 375.

16 The other kind of comment is the one that Ron
17 always makes, too, is that this is 375 it's not something
18 we wake up tomorrow and there will be a different day.
19 This is a long, long process of changing urban to urban
20 form.

21 CHAIRPERSON NICHOLS: Well, thank you. Yes,
22 we're coming in on top of a lot of other discussions that
23 are going on.

24 I participated yesterday -- day before yesterday
25 in a forum at Cal Poly Pomona that had been called on SB

1 375 and its role and related issues about regional
2 economic development. And I got an earfull about the
3 redevelopment concerns of local governments.

4 And frankly some comments that sort of opened my
5 eyes, because I'm a Los Angeles resident and I'm used to
6 redevelopment as it has been practiced in that city, and
7 I'm familiar with what I would consider to be some of the
8 abuses, frankly, of the system. And so I -- and that very
9 morning, there was a story in the L.A. Times which
10 attempted to portray the harm that would occur if there
11 was a change in redevelopment agencies. And their only
12 illustration they had was a minor league stadium I believe
13 or a baseball stadium. I can't remember. I think it was
14 in San Diego. I apologize. It was a stadium.

15 BOARD MEMBER ROBERTS: It was a proposed minor
16 league baseball stadium in the city of Escondido. Even
17 whether or not that redevelopment happens continues.

18 CHAIRPERSON NICHOLS: But that was -- it wasn't
19 the kind of example that I think would cause most people
20 to get excited and realize that there was something really
21 at stake. So I'm hoping that local officials such as
22 yourselves who have the experience and those I spoke to at
23 that meeting who had some really compelling examples are
24 going to be able to bring those forward.

25 BOARD MEMBER LOVERIDGE: Redevelopment is more

1 than mermaid bars and stadiums.

2 I think for many cities now it's over time you
3 want good cities. It's hard to figure how to get there
4 without redevelopment tools.

5 CHAIRPERSON NICHOLS: Yes, Dr. Sperling.

6 BOARD MEMBER SPERLING: On the right wing here,
7 following up on the money issues, fiscal issue. First, I
8 have a question; an observation. It's great that
9 relationships with SCAG and SCAG's willingness to
10 participate in this process. And having followed the RTAC
11 process that led to this, it was really remarkable how
12 most of the MPOs range from perhaps ambivalent to hostile
13 to this whole idea of SB 375 planning. And over time as
14 they became more aware of it and knowledgeable, there
15 really was a dramatic change in the attitudes. And I
16 think we're seeing that with SCAG as well.

17 Now, having said that, I think the SCAG concerns
18 about funding and resources is absolutely right on. And
19 if this is all going to work, there has to be funding.

20 So I have a little question and a big
21 observation. The little question is this Compass
22 Blueprint Project, I mean, is this an -- what is this? I
23 didn't understand at all. I mean, there is a process. I
24 understand it's SCAG. And then we're participating
25 financially in some way. Is that it?

1 MS. ROBERTS: May I respond to that?

2 The SCAG has a Compass Blueprint. This is a
3 regional vision document that was prepared probably a
4 decade or more ago. But to implement the vision on a
5 voluntary basis, they provide incentive grants to cities
6 and counties and transportation agencies within the six
7 county region. So for the past approximately six, seven
8 years, SCAG has initiated a competitive grant process
9 whereby they solicit applications, proposals for different
10 plans. It can be a new zoning ordinance, a general plan
11 update. It can be a specific plan or a redevelopment
12 plan, big or small. SCAG considers those applications for
13 grant funding. And if those projects are good examples
14 that demonstrate the vision of sustainable planning in the
15 SCAG region as identified in the blueprint, then those
16 projects go forward.

17 And ARB was invited to attend last year's -- I
18 believe Lynn Terry and I were both there for one of SCAG's
19 presentations on the award winners. We saw those as very
20 compelling examples of how our region can incentivize
21 local governments to actually move ahead with plans and
22 policy changes at the local level that would help further
23 our regional goals.

24 BOARD MEMBER SPERLING: How much money are they
25 giving and how much are we giving?

1 MS. ROBERTS: The SCAG I believe has -- I don't
2 know if I should really say this, because I'm not certain
3 of the number. But on the -- around \$3 million I believe
4 is what they think they can have available for this year's
5 round of funding.

6 When I asked one of the SCAG managers, what is
7 the total amount that's being requested, what is the total
8 need here, as represented by the 63 application, I think
9 it was on the order of about \$20 million.

10 CHAIRPERSON NICHOLS: And our contribution to
11 this?

12 MS. ROBERTS: And our contribution would be
13 somewhere around 400- to \$450,000.

14 CHAIRPERSON NICHOLS: It's less than half a
15 million dollars out of that. It's a drop in the bucket
16 compared to an enormous need.

17 BOARD MEMBER SPERLING: Thank you for that.

18 So let me follow up on that point. So it is a
19 drop in the bucket. And for the kinds of things we're
20 talking about, we're talking many billions of dollars.
21 And so both a question and an observation is in the new
22 DOT budget that the President put out, they had set aside
23 tens of billions of dollars for awards, competitively in
24 the -- I'll put them in the category of sustainability,
25 liveability, and to be rewarded to communities and regions

1 based upon certain criteria. And the idea is to be more
2 performance-based.

3 So the federal government is trying to move
4 forward -- many people are trying to move them to more of
5 a performance-based approach to transportation funding.
6 And the administration is clearly in line with that and
7 they haven't quite gotten that far. But they've set aside
8 large amounts of the transportation funding to be awarded
9 competitively beyond the formulas to support these kinds
10 of initiatives.

11 And so the question is I don't know -- no one
12 knows what Congress is going to do with those budgets.
13 But there is clearly a movement in that direction, which
14 is perfectly aligned with SB 375. And it means a perfect
15 opportunity for California and the MPOs and the cities to
16 get huge amounts of funding. We're not talking millions.
17 We're talking many billions here.

18 So the question is how are we supporting or
19 participating in this whole process? And what might we do
20 if we're not to -- at both ends, both in Washington and as
21 well as in the California side -- on the California side
22 working the cities and MPOs on the federal side, working
23 with Congress and DOT.

24 CHAIRPERSON NICHOLS: Doug, do you want to weigh
25 in?

1 BOARD MEMBER SPERLING: And this is key to SB 375
2 being successful.

3 AIR QUALITY AND TRANSPORTATION PLANNING BRANCH
4 CHIEF ITO: I think as we began the process for getting to
5 the target setting point over the last couple of years,
6 this concept of leveraging the work on 375 at the federal
7 level was on the minds of most people throughout the
8 conversation. Re-authorization of safety lieu has been
9 going on for a couple of years now. So as we begin to see
10 some of the concrete potential happening at the federal
11 level, our work at the local and the MPO level just to get
12 them in a position to be thinking about how their
13 sustainable communities strategies are developed in
14 meeting 375 components, it will feed directly into their
15 positioning to be able to be competitive with those funds,
16 if and when they become available.

17 CHAIRPERSON NICHOLS: I can just add that this is
18 an area that Brian Turner is very familiar with and he is
19 working on our behalf. Senator Boxer has actually
20 succeeded in getting a bipartisan House/Senate Committee
21 to come out to California to talk about this issue
22 sometime in the fairly near future. And they were looking
23 for testimony to be submitted. She will be a champion for
24 us on this. But we do need to coordinate our efforts here
25 and get everybody involved if we possibly can to make a

1 really impressive showing on the need and how well the
2 money can be spent.

3 BOARD MEMBER SPERLING: Just to reiterate. This
4 is the number one thing that can be done. I'm not even
5 sure what the number two is that's so far behind.

6 CHAIRPERSON NICHOLS: Yes, Ken.

7 BOARD MEMBER YEAGER: Just briefly, I'm having a
8 hard time understanding exactly what we're doing and what
9 we're funding with these three plans. Is it the pay for
10 planners to do the work so that these transportation
11 corridors can be set to go? Or is it research? Is what
12 we're funding here going to be applicable to the other
13 MPOs so they can use this information?

14 Maybe at some point I could get more information
15 off line from you on what exactly we're funding. But I'm
16 still just a little confused by it.

17 BOARD MEMBER LOVERIDGE: Could I just say, in my
18 judgment, these are projects that are internal to the
19 jurisdictions that have been identified there and complete
20 them. But this is more than simply funding three
21 projects. It is an investment in good will, a statement
22 of CARB. I think this is going to be heard very loudly.
23 It is a very, very important statement that we're making
24 today as we approve this.

25 BOARD MEMBER YEAGER: That's great. I just don't

1 quite understand what it is we're approving.

2 CHAIRPERSON NICHOLS: The intent was that these
3 would be actually models. That was why these three
4 specific projects were chosen. It was believed that they
5 could be applicable elsewhere. You might just add a word
6 or two about why it is.

7 DEPUTY EXECUTIVE OFFICER TERRY: I think there is
8 a real parallel here. And we've long had these programs
9 to fund technology advancement demonstration projects, the
10 ICAP program. Now we're moving into a whole new realm of
11 funding demonstrations that are not pure technology.
12 They're demonstrations of the kinds of strategies that it
13 will take to meet the targets. And so we've developed
14 some criteria, staff, to say among the projects and the
15 Compass list which ones will be most broadly applicable
16 statewide.

17 One of them was specific to the concept of
18 sub-regional plans, which is a little unique to SCAG
19 region because it is so large. And SB 375 specifically
20 talks about sub-regions as a planning process. But the
21 others supporting development around transit station, that
22 is meant to demonstrate a broad concept.

23 And sort of to get at Professor Sperling's point,
24 this has allowed California to be a head of the game. So
25 we can take things like these demonstration projects. In

1 the Bay Area, Steve Hemminger has been sharing with us
2 some work on accelerating introduction of cleaner vehicles
3 into the fleet sooner than expected. Those are other
4 kinds of demonstration projects that could potentially be
5 included in this package.

6 And then the idea of the planning process itself
7 that San Diego is first out the gate to develop a
8 sustainable communities strategy embedded in their
9 transportation plan. It will be the first in the nation,
10 I believe.

11 So I think that's the opportunity we have in each
12 of the major MPOs in the state of California over the next
13 few months to pull together this package, what we're doing
14 as a State and than the unique opportunities within each
15 of those regions. So this conversation is stimulating
16 some ideas about how we can move forward to pull together
17 our advocacy.

18 CHAIRPERSON NICHOLS: Okay. Thanks.

19 I'm going to draw to this to a conclusion. I
20 think what we should do is look for an opportunity
21 actually to update the Board about progress.

22 I would say I appreciated the generally positive
23 comments about progress in terms of providing modeling
24 tools for the MPOs in the San Joaquin Valley, but 2012 is
25 a ways off and 2014 is a lot further off. If there as one

1 place in the state where we have some hope of getting some
2 planning done in advance of having to retrofit, it would
3 be in that region.

4 So I'd also like to hear a little bit more about
5 how things are going in that part of the world as well.
6 We have not set the targets there. We say we've done our
7 job. We came up with a rationale for why we couldn't do
8 it. But never the less, I'm concerned that we're leaving
9 out an important region if we don't keep an eye on it.
10 And so if there's work we can all do to be helpful, that
11 would be important, too.

12 So maybe we can just ask for a report in
13 six months or whenever to just get an update on how we're
14 doing on implementation.

15 EXECUTIVE OFFICER GOLDSTONE: We could bring that
16 maybe in September.

17 CHAIRPERSON NICHOLS: That sounds reasonable.

18 We do have three people who signed up for the
19 public comment period. My feeling is we should do that
20 now, and then we'll be done, except for the executive
21 session. And we can come back and formally close the
22 meeting and announce any actions which might have been
23 taken in executive session after the lunch break.

24 So we'll turn to the public witnesses then. They
25 are Michael Friedman, Patrick Berger, and Miguel Silva, in

1 that order. And we have three minutes for each of you.

2 MR. FRIEDMAN: Hello, Chairman Nichols, Executive
3 Officer Goldstene, and La Ronda Bowen, and members of the
4 Board.

5 My name is Michael Friedman, and I'm coming
6 before the Board today to discuss a Stage II vapor
7 recovery issue. Thank you for the opportunity to speak
8 before you today.

9 I'm representing a company EZ Flow Nozzle. We
10 are a California small business, and we are California's
11 only Stage II vapor recovery nozzle recovery manufacturer.
12 As a small business, we offer products to other small
13 businesses who are gas station owners.

14 The issue at hand is on August 15th, the fire
15 marshal ordered the removal of the hold-open latches for
16 the VST nozzles, suspending the Health and Safety Code
17 because the nozzle was seen as a dangerous health and
18 safety and fire hazard.

19 I'm just taking this opportunity today to inform
20 the Ombudsman's office and Mr. Goldstene that we actually
21 have a very simple fix to this problem. It's a very
22 simple part. I don't know if you want to see it. It's
23 very simple. And it has to do with the springs here. And
24 we would just like to inform the Board that this is a very
25 simple and cost effective solution and that stations that

1 don't have these hold open latches are being forced by VST
2 to purchase a new nozzle for \$200 to \$250. And this side
3 cap actually has been approved on our pre-EVR nozzle that
4 actually is the only pre-EVR that is certified under the
5 new standards of CP 201 requiring nozzles to hang for
6 six months, do a 100-car matrix, and require a 97 percent
7 vapor recovery efficiency.

8 And so we wrote a letter to the fire marshal
9 informing him that our nozzle could replace the VST
10 nozzle. But when our comments were forwarded to the
11 Engineering and Certification Branch, we were requested to
12 send up some nozzles for an engineering evaluation. That
13 was six months ago. And we've heard nothing back from the
14 Engineering and Certification Branch.

15 So we would just like to figure out the most
16 cost-effective solution for station owners, because if
17 it's something that's as simple as this little spring
18 mechanism that can get hold-open latches put back on, not
19 only do the station owners have a right to have nozzles
20 with hold-open latches as the California Health and Safety
21 Code mandates, but the customer pumping the gas has the
22 right to not have to stand next to the nozzle in case
23 there is some kind of a hazard that exists with that
24 nozzle.

25 But also like to note that after inspecting the

1 springs on the new VST nozzle at our factory, we noticed
2 there have some been some modifications to those springs,
3 which leads us to believe that VST is pretty aware -- that
4 VST is aware of this problem and that we would just like
5 to get our request certified in the same expeditious
6 fashion that all the other gasoline nozzle manufacturers
7 have been allowed to make modifications to.

8 CHAIRPERSON NICHOLS: Okay. Thank you for that
9 statement.

10 I'm going to ask Deputy Executive Officer
11 Cackette to follow up or to have somebody with you, and
12 we'll see what we can do to respond to your comments. We
13 appreciate it. This is an issue we have been involved
14 with, as you indicated. The fire marshal took the lead on
15 the solution, but obviously we're very interested in the
16 success of the program. So we will get back with you. If
17 you left your information with the Clerk, someone will
18 follow up with you.

19 MR. FRIEDMAN: Thank you very much.

20 CHAIRPERSON NICHOLS: Thanks.

21 Patrick Berger from the California Public
22 Interest Research Group.

23 MR. BERGER: Members of the Board and Chairman
24 Nichols, thank you very much.

25 I'm a Berkeley student who is representing the

1 Berkeley Chapter of the California Public Interest
2 Research Group. I'm also in a class taught by former
3 Chair of this Board, Robert Sawyer, on California air
4 politics.

5 And so what I'd like to comment on today is the
6 great necessity that it's in this year that we should
7 significantly expand the zero emission vehicle program.
8 And I'm very grateful that the Board has scheduled October
9 to be the month in which we determine how this should be
10 done and to what extent.

11 But I would like to comment on something that
12 Professor Sperling brought up a little bit earlier when he
13 said that what's important is not just to consider our
14 priorities now, but our priorities over the next five or
15 ten years and how things will change.

16 And so I'm going to discuss a couple of political
17 developments over the last two years that have led this
18 zero emissions vehicle program to become much more
19 necessary than ever before.

20 So first of all, is Governor Schwarzenegger's
21 Executive Order S-1408, which is the renewable portfolio
22 standard, that instead of the 18 percent of renewable
23 energy that energy companies producing in California
24 currently produce at, by 2020, this will be increased to
25 33 percent, an expansion of the 20 percent mandate by

1 2010. The implications for this is that every single
2 electric vehicle that we have on the road plugging into
3 our grid, by 2020, will essentially save twice as much
4 energy because of the fact that the grid will be almost
5 twice as clean. This means that any zero emissions
6 vehicle program we start now, which will hopefully be to a
7 significant expansion by this 2020 era, will have great
8 positive effects, even more than before.

9 The second thing I'd like to talk about is the
10 high speed rail program. So the high speed rail bill that
11 was passed is slowly gaining steam as actually getting
12 into the development phases. In fact, the Deputy
13 Executive Director of the California High Speed Rail
14 Authority said that by 2020 what would happen is we would
15 have the first line of this high speed train built going
16 between Anaheim, Los Angeles, Bakersfield, Merced, Fresno,
17 and my home town, the Bay Area.

18 What this means is essentially that critics of
19 the zero emission vehicle have often stated that the
20 consumer demand does not exist based on the fact the range
21 is often one- or 200 miles or sometimes much less. This
22 would remove much of the need for consumers to travel
23 greater than that distance, since it would allow anyone
24 traveling in this north-to-south direction, whether it's
25 commute, vacation or anything else to be able to use this

1 bullet train to get there in a matter of hours, instead of
2 taking a six- or even seven-hour trip from northern to
3 southern California.

4 It's with that that I ask the Board to greatly
5 consider expanding the zero emission vehicles program in
6 October.

7 Thank you.

8 CHAIRPERSON NICHOLS: Thank you for coming and
9 for your comment.

10 I think it's particularly noteworthy that your
11 professor is sitting behind you in the audience. I don't
12 know if he's grading your performance today, but I would
13 encourage him to give you a good mark on that. Thank you.

14 Last, Miguel Silva, the Oakland Truckers.

15 MR. SILVA: Chairman Nichols, members of the
16 Board, thank you for the opportunity to address you
17 personally.

18 After your decision on December not to extend --
19 not to modify the drayage truck rule, we sent a couple
20 letters and I have not received a response. So this is a
21 great opportunity for me to be able to address some of the
22 issues that were brought up at the time and to let you
23 know how this is going to affect us in Oakland and the
24 drayage truck business.

25 I would like to address actually some factual

1 inaccuracies brought up in the December meeting that lead
2 you to your decision. As I sat here, I heard Ms. D'Adamo
3 inquire about the number of trucks that will be affected
4 and the locations where they would be affected. And the
5 response from staff was that -- to this question is that
6 only 1700 trucks in the Port of Oakland will be affected
7 by the non-extension or modifications of this rule,
8 referring of course to those 2003 and older trucks that
9 were retrofitted.

10 In reality, out of the 5700 trucks that serve in
11 the Port of Oakland, 4400 trucks will need replacement by
12 January 2014, not 1700.

13 Your discussion neglected to consider all the
14 2004, '05, and '06 model engine trucks, all which were led
15 to initially believe there would be a NOx filter available
16 to upgrade the trucks and bring into compliance to the
17 second phase of the truck regulation.

18 Now, we find out that the filters do not exist
19 and the trucks will need to be replaced. This will start
20 at the end of this year with 700 trucks and 2,000 more
21 next year. And, of course, at the end of 1700 trucks that
22 were alluded before. This will most likely put initially
23 2700 truckers out of business.

24 Second statement or second question brought up
25 was a reference that Ms. Nichols made regarding the

1 potential health benefits of not adopting this
2 modification, to which staff responded that the NOx
3 benefits will be roughly seven tons per day statewide.

4 My question is: What does the Board think these
5 trucks -- where these trucks are going to go? Because
6 unless there is a program where these trucks will be
7 completely taken out of business, those trucks will be
8 sold for on-road work, out of state, or even out of the
9 country. So if NOx is a greenhouse gas, how is there a
10 health benefit by selling these trucks to be continued to
11 operate in other areas? Not only that, but if this is
12 enacted as it is today, the 2004, '05, and '06 engines --
13 I'm sorry. Can I continue?

14 CHAIRPERSON NICHOLS: Your time is up. Can you
15 finish up in just a couple seconds, please?

16 MR. SILVA: There's several other issues I wanted
17 to bring up, but I would ask you to reconsider your
18 decision. There's 4400 trucks that need to be replaced by
19 2014. It is a monumental task financially for anybody in
20 this business to be able to afford to replace these
21 trucks. Staff believes, and I quote, that there are
22 overriding economic and social considerations driving
23 these proposed changes. The recession has significantly
24 impacted the economic health of the regulated industry and
25 consequently greatly affected its ability to comply with

1 the current regulation. Additionally, the recession has
2 significant social implications, causing a number of
3 businesses to reduce their activities or go out of
4 business.

5 CHAIRPERSON NICHOLS: Okay. Mr. Silva, this what
6 is I'm going to do. We can't address your issue here
7 today. It's not on the agenda.

8 I'm going to ask the Executive Officer to write a
9 response and to send it to all the Board members
10 specifically addressing the issues that you have raised.
11 You're entitled to a response to your request. So I want
12 to ask that we get that and that the Board members receive
13 it prior to the next Board meeting.

14 EXECUTIVE OFFICER GOLDSTONE: We'd be happy to do
15 that.

16 CHAIRPERSON NICHOLS: Thank you very much.
17 Appreciate your coming.

18 That concludes the list of people who have asked
19 to testify, unless there is anyone else in the audience
20 who failed to sign up.

21 BOARD MEMBER D'ADAMO: Can I just -- Mr. Silva,
22 do you have written comments? Because I know you had a
23 few more things to say. Maybe you could provide that to
24 staff.

25 MR. SILVA: I can leave this, yes.

1 CHAIRPERSON NICHOLS: The Clerk will take a copy.
2 I assume we have your earlier correspondence as well.

3 Okay. Thank you.

4 With that, we are going to adjourn for lunch.
5 And when we're finished, but before 2:00, we will come out
6 and announce, as I said, any decisions that might have
7 been made by the Board in the executive session. Thanks
8 everybody. 12:29 PM

9 (Thereupon a lunch recess and executive session
10 was held from 12:29 p.m. to 1:30 p.m.)

11 CHAIRPERSON NICHOLS: It's 1:30, and we are
12 resuming after the lunch break and reporting back from the
13 executive session.

14 The Board members were briefed on two litigation
15 items and gave input to our general counsel. There were
16 no decisions, however, that were taken at the meeting. It
17 was about ongoing litigation matters.

18 And with that, we are finished with the rest of
19 our business. So without objection, the meeting is
20 adjourned. Thank you.

21 (Thereupon the California Air Resources
22 Board meeting adjourned at 1:30 p.m.)

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