



July 12, 2017

Governor Jerry Brown
Members of the California Legislature
State Capitol
Sacramento, CA, 95814

Re: Air Districts' Opposition to GHG Cap & Trade Proposal Unfunded Mandates and Lack of Funding to Reduce Air Pollution in Impacted Communities

Dear Governor Brown and Members of the California Legislature:

The undersigned California Air Districts strongly support the goals of improving air quality in disadvantaged communities and reducing greenhouse gas emissions through the proposed legislation, AB 398 and AB 617. Reduction of criteria and toxic emissions will yield significant public and environmental health benefits, including, but not limited to, reduced mortality and illnesses associated with high air pollution levels. We also appreciate the proposed amendments to increase the air districts' penalty authority, and the reaffirmation of the air districts' primary authority over criteria and air toxic emissions from stationary sources. *However, as currently written, AB 398 and AB 617 would impose enormous new workloads on air districts without any funding source and without the needed funding to reduce air pollution in impacted communities.* It will be impossible to comply with the far-reaching new mandates of better protecting and improving public health without significant and sustained funding, including both funding to carry out the new work required, and funding to provide incentives to reduce mobile source pollution. Statewide, more than a billion dollars would be needed. Therefore, we must respectfully **oppose these new mandates.**

While there may be opportunities to further reduce toxic emissions from stationary sources, to really benefit disadvantaged communities, **diesel emissions** must be drastically reduced. AB 617 does not recognize that the best way to reduce exposure to toxics in disadvantaged communities is to significantly increase funding for diesel emission reduction from mobile sources. *The air districts do not have any ability to raise funds for these purposes on their own.* In South Coast and San Joaquin Valley, over 80% of NO_x emissions contributing to ozone and PM_{2.5}, and about 90% of the basin-wide risk from air toxics, comes from mobile sources (70% from diesel particulates). AB 617 needs to explicitly require reductions from mobile sources, and since the California Air Resources Board (CARB) and the districts have **limited regulatory ability to further reduce emissions from mobile sources**, incentive funding in the range of more than a billion dollars per year is needed.

AB 617 also requires CARB to prepare a monitoring plan requiring "advanced sensing monitoring networks" for criteria and toxic air pollutants, and requires CARB to identify the

highest priority locations around the state for these networks. The districts must implement such networks, however, the bill does not limit the number of networks that will be required, provide an end date for monitoring, or define "advanced sensing monitoring." For the air districts, new workloads and expenditures could be unlimited. *While the districts have the ability to charge fees for their work related to permitted sources, as a practical matter these fees cannot support the significant new mandates required by this bill.* As an example, assuming the use of filter-based PM2.5 samplers for toxic metals such as hexavalent chromium (not some unspecified advanced technology), it costs \$6,000 per week, or over \$300,000 per year, just to maintain one upwind and one downwind sampler at a single location or facility. It is unrealistic to expect a small plating shop or other metalworking facility to be able to support the amount of monitoring required, and this does not even consider the monitoring that is not focused on a given facility, but used to identify areas of high exposure. If the districts were to try to impose fees for this monitoring, it would likely be very controversial as to who should pay the fees when the source of high emissions is likely to be mobile sources or a specific facility that has not yet been identified. Therefore it is not realistic to think the districts could raise their fees sufficiently to support the required monitoring.

Moreover, the South Coast Air Quality Management District, Bay Area Air Quality Management District, Sacramento Metropolitan Air Quality Management District, and the San Joaquin Valley Air Pollution Control District recently increased their permit fees to help cover the costs of existing programs. It would not be realistic to expect permitted sources to pay yet another fee increase, of unknown but likely very large dimensions, to support AB 617 mandates.

AB 617 also requires CARB to select areas in the state for the development of a community emission reduction program, then require the districts adopt and implement such programs. Further, if CARB rejects the community plan, we would need at least 180 days to resubmit a revised plan, not the 30 days currently provided. We expect that the majority of areas selected would be in the larger districts, which already have robust programs to reduce air toxics and criteria pollutants, including in disadvantaged areas. Developing such plans may not be the most cost-effective way to achieve emission reductions, compared to increasing mobile source incentive funding for programs such as Carl Moyer, which sets a goal of expending 50% of its funds in disproportionately impacted areas, which in South Coast is defined as low-income areas that are disproportionately exposed to air toxics and/or particulate air pollution. In South Coast, the program has typically exceeded the 50% goal.

We also have concerns about the new mandates relative to imposing best available retrofit control technology (BARCT). Full implementation by 2023 may be too aggressive given the time it takes to determine BARCT, and the number of source types to consider. In the past, these determinations for a limited number of source types have typically involved at least a 1 to 2 year public process, and another three to five years for implementation. We also request clarification that the law's provisions do not preempt the districts from using information other than the CARB clearinghouse to establish BARCT or BACT.

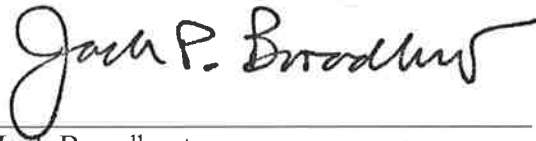
Furthermore, our public health objectives and the emission reduction goals require all interested parties to do their parts. Preempting local districts from working to achieve these goals is a strategic mistake.

Based on the foregoing, the undersigned air districts oppose AB 617 unless the bill is amended to provide that the mandates imposed on air districts must be implemented only to the extent the state provides significant and sustained funding to local air districts to help reduce air pollution in impacted communities

Sincerely,



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Jack Broadbent
Executive Officer
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