

Transportation Solutions Defense and Education Fund

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December 14, 2016

Posted to:

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Mary Nichols, Chair
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Re: Discussion Draft 2030 Target Scoping Plan

Dear Ms. Nichols:

The Transportation Solutions Defense and Education Fund, TRANSDEF, is an environmental non-profit advocating for the regional planning of transportation, land use and air quality, with a focus on climate change. We offer our constructive suggestions to aid ARB's efforts to design programs to achieve the state's GHG emissions reduction targets. We are proud that California wants to demonstrate to the world how to do it. We hope you find our outsider perspective as real-world transit advocates useful as you update the Scoping Plan.

Transportation Sector

TRANSDEF appreciates the clear statement in the Discussion Draft of the 2030 Target Scoping Plan ("Draft Plan"):

While the majority of the GHG reductions from the transportation sector in this Discussion Draft will come from technologies and low carbon fuels, a reduction in the growth of VMT is also needed. (p. 50.)

However, when it comes to proposing actions that will prevent further growth in VMT and lead to actual reductions in the near future, the Draft is sorely lacking. (See the attached relevant extracts from the Draft.) None of these proposed measures is an action program. Instead, all of the proposed elements call for further study. The resulting discussions will most likely drag on for years. In the meantime, VMT would continue to escalate. According to the Federal Highway Administration, California's VMT in July and August 2016 was more than 6% higher than in 2015.

The current Draft Plan telegraphs to the world that the Administration is leery of backlash: programs that reduce VMT in the near-term could inconvenience people. While caution is understandable, further growth of VMT will only make the eventual

reductions more painful and perhaps damaging to the economy. As a leader in climate policy, it is important for ARB to propose in the next draft of the Scoping Plan the most viable VMT reduction measures and goals for implementation. Only by seriously considering such proposals will policy makers at regional and local levels begin to grapple with ways to craft measures that are politically acceptable to their constituents.

With leadership and education, the public may be persuaded that changes in daily driving behavior are worth making for the sake of our children and grandchildren. If the approach taken in the Draft were to become the adopted Scoping Plan, such questions would not be asked.

As the State's largest inventory category, an effective strategy for the transportation sector is make-or-break, when it comes to achieving the statutory goals of the Scoping Plan. We believe the Draft Plan will fail to achieve those goals because of a weak transportation section.

Unlike the first Scoping Plan, we do not find a sector-by-sector compilation of sector emissions reduction goals. Without a specific numeric goal for a sector, it will be impossible to design or justify a specific package of emissions reduction measures.

Second, as discussed in detail in our September 26, 2016 comment letter (attached) on the "Potential State-Level Strategies" paper, the strategies under consideration are inadequate to produce significant reductions in VMT. Achieving the desired VMT reduction will require 1). the education of the public as to the role of solo driving in contribution to climate disruption, and 2). overwhelmingly shifting transportation funding into convenient alternatives to driving. Together, these represent profound cultural change, for which ARB has yet to demonstrate an appetite. TRANSDEF urges ARB to frame up a coherent transportation policy, because no state agency has yet articulated a consistent low-carbon pathway forward. (A culture war is underway at Caltrans, and the BAU side is currently winning. See CTP 2040 section of 2016 comment letter.)

Because statewide VMT is now continuing to rise, it appears that the cited Mobile Source Strategies (p. 82 of the Draft Plan) "Reduction to vehicle miles travelled (VMT), to be achieved in part by continued implementation of SB 375 and regional Sustainable Community Strategies" have had no significant effect. As a result, we have grave skepticism as to the modeling of the mobile sources-known commitments portion of the draft 2030 Target Scoping Plan Scenario. Please produce a paper on the assumptions and calculations that feed into the Scenario modeling. If the mobile sources inputs into the model are grossly overstated--as we suspect--the entire Scoping Plan will fail.

Several statements in the Setting the Path to 2050 section need to be taken to heart here, as they apply especially strongly to the tremendous inertia of BAU transportation policies and the powerful political influence of entrenched interests:

In developing the 2030 Target Scoping Plan, we are considering what policies are needed for the mid-term and long-term, knowing that some policies for the long-term must begin implementation now.

And, are we willing to pursue policies that we know are needed for the 2050 target, but may not significantly reduce GHG emissions in the near-term? (p. 30)

In TRANSDEF's October 2, 2015 comment letter (attached), we offered an extensive discussion of "The Disconnect Between Local Policy and State Policy." Here are a few highlights, which are even more valid today:

- The [State's] policy team is fully equipped to lead the parade, as California transforms itself to meet the requirements of climate change. **The problem is, no one at the local level is following them. The day-to-day realities of the climate-hostile fields of transportation and infill development are entirely disconnected from the State's climate policies.**
- In short, there is no commitment in county transportation planning to addressing the climate emergency.
- Local agencies expect the State to do all the heavy lifting, where most large transportation projects result in increased GHGs, where MPOs successfully pressure ARB to adopt regional emissions reduction targets low enough to allow them to evade fundamental change, and where approved densities in infill development are set so low that they don't support transit effective enough to promote mode shift, will be fatal to achieving the Executive Order targets.
- A huge unanswered question in transportation is "When will agencies finally have to set aside their backlogs of capacity-building projects, and get with the climate change program?" Agencies use Committed Projects policies ("If it was in the last RTP, we don't reevaluate it--it automatically goes into the next RTP") as a means of locking in the status quo.
- Despite the profound change in the direction of state policy, a large majority of funding continues to flow to climate-hostile capacity-adding projects.
- Congestion management agencies adopting sales tax expenditure plans continue to act like they've never heard of SB 375. Because sales taxes now make up roughly half of all transportation funding in the State, it is critical for the State to establish a legal framework where sales taxes must be consistent with State policy.
- Our solo-driving-based transportation system cannot cope with mass numbers of travellers. Peak-period travel is inherently different from off-peak travel. By its very nature, peak-period travel is mass transportation.
- While we are enthusiastic EV supporters, we recognize that the state is challenged by two distinct transportation problems: the need for a large reduction in GHG emissions from motor vehicles, and peak-period congestion in metropolitan areas. While EVs are an excellent and fast solution for the first challenge, overly focusing on them will only exacerbate the second.

If anything, the linkage between State climate policy and other jurisdictions is even weaker than a year ago. During the RTP Guidelines Update process, the MPOs were very aggressive in disclaiming responsibility for GHG emissions. (See our November 1, 2016 Comment letter to the CTC, attached.) Multiple counties sought sales taxes to further their highway programs. Although several were defeated, several passed. Committing local funds to highway expansion directly impedes the State's GHG reduction goals.

Alternative 2--Carbon Tax

TRANSDEF strongly supports a carbon tax for California, and looks forward to the expiration of the Cap and Trade program. As we wrote in our 2008 comments on the first Scoping Plan:

While I am not an economist, I have been very struck by the website, carbontax.org which contains the writings of Charles Komanoff. Rather than offering a series of links to articles and publications there, I urge CARB to thoroughly explore the site. I see several very large advantages to carbon taxes, as compared to cap and trade programs:

Cap and trade will require the creation of new institutions and expertise, which will be very costly. The thousands of lawyers and investment bankers that will be needed to make it work will add tremendous cost to the emissions reduction process. Conferences currently being offered on the business opportunities that will be created by cap and trade suggest that vast sums that otherwise could go back to the public or into emissions reduction projects will be siphoned off by entrepreneurs. A carbon tax will be simple and inexpensive to administer and will not require an army of lawyers. The proceeds of the tax could be used to create cost-effective transit systems, as well as other low-carbon mitigations. Another possibility is to return the entire proceeds to taxpayers, to offset the increased cost of consumer goods.

Another tremendous problem with cap and trade is the potential for sophisticated gaming. (Think of how Enron manipulated the California energy market.) A carbon tax, on the other hand, is very straightforward. It should be easy to catch bad actors.

The chief benefit cited for cap and trade is the certainty that the target will be achieved. This is dubious: if the system is itself flawed, as was Europe's, or if it is gamed, it won't achieve its goal. On the other hand, a carbon tax can be adjusted in response to observations of energy consumption levels. This isn't rocket science!

I urge CARB to conduct a full public evaluation of the potential benefits of a carbon tax before being stamped by the business community into adopting cap and trade. The very popularity of cap and trade with the business community should be enough to cause CARB to stop and evaluate whether implementing it would truly be in the public interest.

TRANSDEF objects to the staff's analysis of Alternative 2. First of all, "Alternative 2 would require additional legislative authority, as it is a tax" (p. 97) grossly misstates the situation. The extension of Cap and Trade will require legislation as well, according to the Legislative Counsel, and may soon be found by the courts to be a tax itself.

Secondly, the analysis of the efficacy of the Province of British Columbia's implementation of a carbon tax is deeply misleading on several fronts. BC set more aggressive emissions reduction goals for 2020 than California. (33% below 2007, compared to 15% below 2008 levels.) BC has already reduced its emissions more than California. The early years of its carbon tax have been a striking success.

BC's Climate Leadership Team has recommended annual carbon price increases going forward. Everything is working as it needs to. BC has powerfully reduced GHG emissions while having minimal economic effects. The objection asserted in the Draft Plan (there is no certainty that a carbon tax can control emissions levels (p. 101)) has proven unfounded. TRANSDEF's support has only grown stronger.

Achieving Success

The heading "*Recommended Local Plan Level Greenhouse Gas Emissions Reduction Goals*" is unnecessarily confusing. The word "Reduction" should be deleted from it, as the heading now implies the amount of the reduction, rather than the total emissions.

The entire section on local permitting is meaningless without legislative advocacy to mandate these goals and effective mitigation as requirements enforceable through CEQA. Otherwise, jurisdictions will simply ignore them, as was discussed in the "Disconnect" section above. Without a legislative mandate, the following recommendation is also meaningless: "Absent conformity with an adequate geographically specific GHG reduction plan, ARB recommends that all new land use development implement all feasible measures to reduce GHG emissions to do its "fair share" in supporting the State's goals."

"Communications Supporting Climate Change Behaviors and Policies" (p. 117) is perhaps the most strategically important part of the Draft Plan, but it is not given the prominence, resources and analysis that it deserves. TRANSDEF urges ARB to lead with this section, and include in it a robust and well-thought-out program.

Conclusion

TRANSDEF recognizes the difficulties faced by ARB in leading the charge towards low-carbon lifestyles. Now is the time to be bold and exercise leadership, especially when the incoming federal Administration denies the need for action against climate

disruption. We implore the Board to direct staff to propose goals and a menu of programs that will arrest California's increases in VMT, and lead to meaningful reductions in the near-term.

Sincerely,

/s/ DAVID SCHONBRUNN

David Schonbrunn,
President
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Attachments

Commitments and Proposed Measures (Excerpts of pp. 54 & 56 of the Draft)

TRANSDEF 2015 Comment Letter to ARB

TRANSDEF 2016 Comment Letter to ARB

TRANSDEF 2016 Comment Letter to CTC