

Transportation Solutions Defense and Education Fund

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April 10, 2017
Posted to:
scopingplan2030

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

Re: Proposed Final 2017 Scoping Plan Update: General Comments

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 reducing the impacts of transportation on climate change. We have previously submitted extensive comments (attached) on the failure of the draft Updates of the Scoping Plan to seriously address VMT reduction. These general comments on the Proposed Final 2017 Scoping Plan Update ("Update") are submitted together with TRANSDEF's companion letters on VMT reduction, the Environmental Assessment and regional targets. Page references are to the Update unless noted.

We heartily agree with the statement:

In developing this Proposed Plan, time matters. The policies that are included must lead rapidly to real results to avoid the most catastrophic impacts of climate change. The Proposed Plan identifies policies based on solid science and identifies additional research needs, while also recognizing the need for flexibility in the face of a changing climate.
(p. 25.)

Transportation Funding

TRANSDEF was very pleased to read the Board's comments about the need to align the state's transportation funding with its climate goals. Because of induced demand, SB 1 highway expansion funding will result in increased VMT and increased GHG emissions. **This funding bill demonstrates the unwillingness of entrenched forces to stop harming the climate** and highlights a point TRANSDEF has consistently made: a profound shift in cultural values is needed before the major funding streams can be shifted to low-carbon transportation modes.

By approving SB 1, the Governor and Legislature have neutralized many of ARB's efforts to reduce GHGs. They have further delayed the day when California's many levels of government start making coherent decisions to protect the climate.

Achieving Success

We strongly agree that:

However, to definitely tip the scales in favor of rapidly declining emissions, we also need to reach beyond State policy-making and engage all Californians. (p. 131.)

We think this is the most strategically important statement in the Update, 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 communications program. It ties in directly with the Board's transportation funding concerns.

Quantification

The inadequacy of the Update is apparent in the very first sentence of the Environmental Assessment:

This Draft Environmental Analysis (EA) is prepared for the California Air Resources Board's (ARB or Board) consideration of the Proposed Strategy for **Achieving** California's 2030 Greenhouse Gas Target (Proposed Plan). (EA, p. 1, emphasis added.)

Unlike the 2008 Scoping Plan's Table 2, neither the Proposed Final 2017 Scoping Plan Update ("Update") nor the EA presents a quantified demonstration that the recommended Greenhouse Gas Reduction measures **will achieve** the 2030 target. Without a quantified demonstration, it is invalid to claim that:

this Draft EA serves as a comprehensive, programmatic environmental analysis of the State's recommended GHG reduction measures to reach the 2030 target. (EA, p. 3.)

With its decades of preparing California's SIP, ARB clearly has the technical capability to demonstrate achievement. Table III-1, while a step in the right direction, fails to total those emissions or show how that total correlates with the total GHG reductions needed to meet the targets.

TRANSDEF asserts that the absence of a demonstration that its Update will achieve the targets mandated by AB 32 and SB 32 constitutes a failure to perform a mandatory duty, in violation of both of those statutes. It is a violation of the spirit of AB 32 and SB 32 for a plan that is mandated to achieve GHG emissions reductions targets to not analyze whether it achieves those targets. Separate CEQA thresholds of significance should be set for the failure to achieve the GHG targets mandated by AB 32 and SB 32.

Without a specific numeric emissions reduction goal assigned to each sector, it will be impossible to design or justify a specific package of emissions reduction measures, in those sectors prone to controversy.

TRANSDEF expects neither a crystal ball nor perfection in forecasting--only that ARB commit to providing numeric estimates for emissions reductions, exercising the same professionalism used in SIPs. Because TRANSDEF has no desire to delay the beneficial effects of the Scoping Plan, we would be satisfied with ARB's written commitment to publish within six months the full quantification of the emissions reductions from each of the measures in the Proposed Plan, in conjunction with a further commitment to revise the Update if achievement of the targets cannot be demonstrated.

Please note that TRANSDEF's companion VMT reduction letter points out in detail why the strategies identified in the Update and its attachments are insufficient to produce the desired 45% reduction in transportation GHG emissions. A "15 percent reduction in total light-duty VMT by 2050" (p. 105), for example, cannot be counted as a measure, both because its elements have not yet been defined, and because the potential strategies it relies on are inadequate. Only those measures that have been defined with enough specificity to permit the calculation of an emissions reduction estimate may count in a demonstration.

High-Speed Rail

Neither the Update nor the EA referenced *TRANSDEF v. ARB*, a challenge to the 2014 Scoping Plan's inclusion of High-Speed Rail ("HSR") as a GHG emissions reduction measure.

The Update makes no showing that HSR will achieve:

the maximum technologically feasible and cost-effective
GHG emission reductions by 2020 (Health & Saf. Code,
§ 38561, subd. (a)). (EA, p. 2.)

In fact, all evidence is to the contrary. Rather than achieve emission reductions before 2020, TRANSDEF has submitted evidence that the project will substantially increase GHG emissions for at least the first twenty to thirty years of operations. There is nothing remotely cost-effective about this project. It receives by far, the largest share of cap and trade funds, yet ARB has done no analysis of its cost-effectiveness.

The Update makes no showing that HSR will help achieve its #1 Project Objective:

for achieving the maximum technologically feasible and cost-
effective reductions in GHG emissions to reflect the 2030
target (Executive Order B-30-15 and SB 32, Statutes of
2016) (EA, p. 10.)

Regional Targets (EA, p. 65.)

One of the reasons for our call for a fully quantified update is our recognition of the failure of the 2010 bottom-up process of setting regional GHG emissions reduction targets by allowing them to be based on MPO suggestions. Because the call for Increased Stringency of 2035 Targets (EA, p. 12) will be politically challenging, there needs to be an overall top-down emissions reduction expectation (like the 5 MMTCO₂e that had been presented in Table 2 in the 2008 Scoping Plan) to work backwards from. That number can only be identified from a rigorously quantified plan.

Innovative Clean Transit (EA, p. 19.)

TRANSDEF believes ARB has harmed the ability of the transit industry to reduce GHG emissions through ARB's narrow focus on the motive power of transit vehicles. We see a substantial shift to transit modes as far more quantitatively important to the emissions of criteria and climate pollutants than is motive power. If innovative clean vehicles are made costly enough to impact the ability to expand service levels, the forest will have been lost in the trees.

More Stringent National Locomotive Emission Standards (EA, p. 20.)

There is no longer any justification for EPA to allow full locomotive remanufacturing to Tier 0 standards, just because some technicality has been met, such as the preservation of the chassis of an outdated locomotive.

Land Use Strategies (EA, p. 27.)

ARB needs to reassert the finding of an extensive body of research, demonstrating that proclivity to use transit falls off sharply after 1/4 mile from a transit stop. The "within ½ mile from transit centers" was brought into legislation by developers that wanted to free-ride on the acknowledged environmental benefits of Transit Oriented Development. The emissions benefits of TOD "within ½ mile from transit centers" is far less than can be extrapolated from TOD within 1/4 mile, and calculations should reflect that.

Alternative 2--Carbon Tax

TRANSDEF strongly supports a carbon tax for California, and looks forward to the expiration of the Cap and Trade program. We object to the staff's analysis of Alternative 2. The Alternatives Analysis is neither fair nor accurate:

Since the statutory direction on GHG reductions is definitive, the issue of certainty of reductions is paramount, and alternatives vary greatly as to the certainty of meeting the target. The year-over-year reductions under a Cap-and Trade Program, for instance, provide certain and measurable reductions over time; a carbon tax, while putting a price on carbon to be sure, may not be enough to drive reductions by altering behavior." (p. 32.)

A cap-and-trade program sets an emission cap so that the maximum allowable GHG emission level is known and

covered entities will have to reduce GHG emissions. With a carbon tax, there is no mechanism to limit the actual amount of GHG emissions either at a single source or in the aggregate, and a carbon tax requires entities to pay for all of their GHG emissions directly to the State. In other words, a cap-and-trade program provides environmental certainty while a carbon tax provides some carbon price certainty. There is no emissions limit with a carbon tax. (p. 50.)

A carbon tax has the same inherent flexibility of a cap-and-trade program, with the distinction that without a cap, a carbon tax option may not result in any emissions reductions for GHGs or other air emissions. (p. 59.)

TRANSDEF vehemently disagrees with the claim that Cap and Trade provides certainty. Legal difficulties and legislative renewal difficulties, leading to recent disappointing auction results, demonstrate the exact opposite of environmental certainty. If the Cap and Trade system is itself flawed, as was Europe's, or if it is gamed, it won't achieve its goal.

The drop in the price of natural gas has led to more improvement in air quality and more GHG emissions reductions, due to the shutting down of higher-cost coal-fired power plants, than possibly **any** environmental regulation ever. Market forces are tremendously powerful. If harnessed by a carbon tax with an appropriate escalator mechanism tied to GHG emissions trends, those forces will produce emissions reductions results.

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, respectively.) 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. BC has powerfully reduced GHG emissions while having minimal economic effects. This real-world success nullifies the objection that there is no certainty that a carbon tax can control emissions levels. There is no such thing as certainty in life--the very choice of "certainty" as a criterion sets up a false dichotomy.

A 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. Cap and trade requires thousands of lawyers and investment bankers, which add tremendous cost to the emissions reduction process. A carbon tax is simple and inexpensive to administer and does not require an army of lawyers.

Tax proceeds could either be used similar to how the GGRF is used today, or the tax could be made revenue-neutral, by lowering other taxes. Another possibility is to return

the entire proceeds to taxpayers, to offset the increased cost of consumer goods. What's critical here is that current claimants to the GGRF not distort the decision-making process by using their influence to hold onto revenue streams. Opposition from the recipient sector was a major factor in the recent defeat of the Washington state carbon tax initiative.

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 fill in the information and communications gaps identified herein, to educate the public and generate the public support needed to move California's institutions into the climate-supportive category.

Sincerely,

/s/ DAVID SCHONBRUNN

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