

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
LEGISLATIVE REPORT**

**FROM HOME RULE ADVISORY GROUP
MEETING OF JULY 21, 2010**

HRAG members present:

Dr. Laki Tisopulos on behalf of Dr. Elaine Chang (SCAQMD)
David Rothbart on behalf of Greg Adams, L.A. County Sanitation Districts
Curtis Coleman, Southern California Air Quality Alliance
Jayne Joy, Eastern Municipal Water District
Bill LaMarr, California Small Business Alliance
Art Montez, AMA International
Mike Wang, WSPA

LEGISLATIVE UPDATE

The Legislative Committee meeting scheduled for July 16, 2010, was canceled because there was no quorum. Dr. Anupom Ganguli reported that there have been no new developments since the last Home Rule Advisory Group meeting.

UPDATE ON SECTION 185 ISSUES

Dr. Ganguli provided the update on Section 185 issues on behalf of Oscar Abarca. Dr. Ganguli reported that District staff and stakeholders traveled to Washington, D.C. to attend meetings with elected officials and their staff on July 14, 2010, to discuss Section 185 issues. District staff included Oscar Abarca, Pom Pom Ganguli, Laki Tisopulos, Bill Wong, and Marc Carrell. Stakeholders included Bob Wyman, David Rothbart, and Sharon Rubalcava.

Background

On January 5, 2010, the U.S. EPA issued a finding that the State of California missed the Clean Air Act deadline for submitting a required element of their State Implementation Plan (SIP). The required SIP program must provide for the collection of fees in the event certain areas fail to attain the 1-hour ozone National Ambient Air Quality Standards (NAAQS) by the dates established by the Clean Air Act.

Section 185 of the Clean Air Act imposes a fee on major sources of ozone precursor emissions located in a severe or extreme ozone nonattainment area that fails to attain the 1-hour ozone standard by the area's attainment date.

EPA made a finding of failure to submit the Section 185 fee program SIP elements for the State of California, including the South Coast Air Basin. For findings of failure to submit, the Clean Air Act requires EPA to start three timetables (clocks) on the date the finding is published in the Federal Register. The three clocks include two sanctions clocks, and a deadline for EPA to issue federal implementation plans (FIPS). The clocks range from 18 months to two years.

Dr. Ganguli reported that a timeline was submitted to Senator Feinstein's staff which included deadlines for action as stated above.

The sanction clocks will be turned off when the State submits a complete ozone attainment demonstration SIP. The FIP clock will be turned off when EPA approves a final SIP.

Dr. Ganguli summarized the discussions from the July 14 meetings as positive and encouraging, but significant additional work is needed for a long-term solution.

Discussion

Mr. LaMarr commented that legislation such as the Lowenthal bill would be a temporary fix. Dr. Tisopulos agreed that the issue would need to be revisited because the bill would have a sunset date.

Mr. LaMarr added that the work of the Clean Air Advisory Task Force over the past year should be considered. Dr. Tisopulos responded that their work was discussed in the meetings. He added that the meeting participants were familiar with the EPA guidance and were interested in flexibilities such as shifting the fees to mobile sources.

Mr. Montez suggested that fees based on a sliding scale should be established to avoid penalizing everyone. He also suggested establishing controls that are within the spectrum of the law and developing administrative solutions.

Mr. Wang stated that the Clean Air Act was written with the assumption that attainment will be reached through the regulation of stationary sources. He asked what will happen when all of the stationary sources are at their cleanest and attainment still has not been reached. Mr. Montez suggested that attainment needs to be redefined.

Ms. Rubalcava suggested that the District include in the Congressional meeting packets the letter that discusses EPA's position on regulating federal (mobile) sources. Mr. Montez stressed the importance of thorough research and preparation before attending the meetings.

Mr. Coleman added that Congress may give other issues higher priority than the Section 185 issues. He felt that there may be further delay to a solution if there is a shift in the House leadership after the November election.