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August 18, 2008

Mary Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Chairman Nichols:

Re: American Lung Association of California Recommendations On Draft
Global Warming Solutions Act Scoping Plan

The mission of the
**AMERICAN LUNG
ASSOCIATION®**
of California is to prevent
lung disease and promote
lung health.

The American Lung Association of California appreciates the California Air Resources Board's (CARB) tremendous dedication and effort to develop the draft Scoping Plan as a key step forward toward implementing AB 32 and creating a more sustainable energy economy. Without dramatic changes in our society and economy to reduce global warming, California's already severe pollution problems will only get worse and health costs will continue to climb higher. While the draft plan represents an important first step, we are urging the board to incorporate strengthening changes to substantially boost air quality, greenhouse gas reduction and public health benefits.

The public health crisis in California caused by the state's dependence on polluting petroleum fuels is a key reason why we must move forward quickly with the strongest possible greenhouse gas reduction measures. Moving away from petroleum fuels through strategies to clean up vehicles and fuels, change land use patterns, and promote alternative transportation modes and other greenhouse gas reduction strategies will not only help achieve the state's 2020 and 2050 targets, but will also provide tremendous co-benefits by attacking California's smog and toxic air pollution problems. With asthma at epidemic levels and thousands of premature deaths, hospitalizations and illnesses caused by air pollution each year, California must take strong action.

The American Lung Association appreciates that the draft scoping plan incorporates some strong elements. We are pleased to see a significant commitment to renewable power production in California through the inclusion of a goal of achieving 33 percent of the state's power through renewable sources. We are also pleased that that the plan has a strong foundation in regulatory approaches that provide the most certainty with regard to achieving greenhouse gas emission reductions and providing the most accountability to the public. However, additional measures must be incorporated to significantly strengthen the plan.

**Improving Life,
One Breath At A Time**

As we have commented during the public hearings on the scoping plan, we strongly believe that protection of public health should be the key criteria to evaluate the various policy tools and strategies that are part of the scoping plan, as well as the broader implementation efforts under AB 32. In order to give priority consideration to public health, the board must ensure that the plan:

- 1) Places a high priority on measures that can achieve the greatest public health benefits and measures that can provide early reductions and improve air quality in communities already suffering from high levels of exposure to smog and toxic pollution from ports, goods movement, agricultural and industrial polluters and other hot spots.
- 2) Contributes to faster progress toward meeting state and federal clean air commitments for smog and particle pollution, and includes no elements that allow for backsliding on achievement of state and federal air quality standards.
- 3) Maximizes the air quality and public health co-benefits of all regulations and strategies for greenhouse gas reduction included in the plan.
- 4) Meets all requirements of AB 32 (Nunez/Pavley) for analysis of air quality impacts and impacts to disadvantaged communities.

We urge the board to adopt the following specific changes in the plan to ensure the plan meets the above criteria:

Public Health Analysis and Benefits

Establish a formal process for public health review and input into the scoping plan. We appreciate that CARB intends to publish an appendix outlining the public health impacts and benefits of the plan and believe this is an extremely important step. In order to be effective, the analysis must estimate the statewide and local impacts of both regulatory and market-based measures included in the plan, especially with regard to environmental justice communities. However, we believe that CARB needs to also establish a formal and ongoing process to review the priorities and overall public health impacts and implications of the scoping plan throughout its development and implementation as well as reviewing individual measures. We believe it is important for CARB to include representatives of key state and local public health agencies and organizations in this process.

The scoping plan must provide local public health protections. Many communities in California, in particular low-income communities and communities of color, live in close proximity to multiple sources of pollution, including ports, goods movement, agricultural and industrial pollution sources and experience higher health impacts. The plan must not only prevent disproportionate impacts or creation of “hot spots” of pollution as required by AB 32, but must also provide benefits to local communities such as additional resources and mitigation measures to speed up air quality progress.

Transportation and Land Use

Boost greenhouse gas emission reductions from transportation and land use sectors.

Transportation is the largest contributor to global warming and air pollution in California, representing 38% of greenhouse gas emissions and over 80% of nitrogen oxide emissions that contribute to smog and particulate pollution. Cars and light trucks make up the majority of the greenhouse gas emissions from the transportation sector. The state must commit to stronger transportation measures to meet the 2020 target and to lay the groundwork for the more challenging 2050 greenhouse gas reduction target.

Set a higher bar for reduction of vehicle miles travelled or “VMT.”

With current growth and development patterns, VMT is expected to increase by 70% over the next 30 years. This level of growth in vehicle use would cancel out progress made in reducing greenhouse gas emissions through introduction of cleaner vehicles and fuels. The plan’s current goal of achieving 2 million metric tons of greenhouse gas reductions from VMT reduction is far too low. The state should set a higher goal of at least 10 million metric tons and provide the leadership and support to help local governments change land use and transportation patterns to achieve the goal.

Establish strong regional greenhouse gas reduction targets: The best way to ensure that local governments make the changes necessary in land use and transportation planning to support compact and more efficient development patterns and reduced VMT is to establish strong regional targets for greenhouse gas reduction. These regional targets must include a mechanism to hold cities and counties accountable for achieving their share of emission reductions.

Include measures to expand public transportation systems: Expanding California’s public transportation system, providing full funding of public transportation in the state budget this year and providing consistent ongoing funding are critical measures to promote reduced need for driving. An increased emphasis on public transit is important to support local and regional agency efforts to change transportation and land use plans in order to emphasize smart growth strategies. Unfortunately, the current draft makes little mention of public transit.

Include indirect source rules as well as additional measures to reduce vehicle trips: Communities across the state can benefit from using indirect source rules to ensure that the greenhouse gas and air pollution emissions from developments are calculated and mitigated. This is another strategy to promote compact development patterns, transportation options such as walking and bicycling, less driving and healthier, more livable communities.

Accelerate efforts to introduce zero emission vehicles: CARB should establish more aggressive goals for introducing new pure zero emission vehicles such as battery electric vehicles and fuel cell vehicles into the vehicle fleet, especially in the 2015 -2020 timeframe. CARB should also establish requirements for automakers to expand use of electric drive technologies across the new vehicle fleet, including conventional hybrid and plug-in hybrid technologies, in new vehicles.

Market Mechanisms

Take a cautious and slow approach to market-based measures: CARB should approach market-based measures cautiously, limit their use and apply appropriate safeguards to maximize air quality and health benefits. Measures should be carefully designed to provide real, quantifiable and surplus reductions, maximize criteria air pollutant co-benefits, provide near-term benefits to local communities in terms of emission reductions and mitigation funds, limit use of offsets, include a strong enforcement program and ensure that pollution sources pay for emission allocations rather than allowing free distribution. Any cap and trade program adopted by CARB must include, from the start, a requirement for pollution sources to pay for all emission allocations through an auction with the revenues applied toward public interest projects.

CARB should also be very cautious about linking to other state or regional cap and trade programs such as the Western Climate Initiative (WCI). While we appreciate the value of developing regional approaches to reducing greenhouse gas emissions, California should not accept weaker cap and trade or offset requirements in order to join a regional market. Before considering linkage with other programs including WCI, CARB should ensure that these programs contain strong safeguards, including those listed above.

Offsets must be limited to avoid reduction of air quality and community benefits:

In order to achieve AB 32 goals, California will have to drive development and implementation of new, innovative clean technologies that can achieve the maximum level greenhouse gas reduction. We are tremendously concerned that offsets, especially those generated outside of the state, will reduce the incentive for California's industries to transition to less carbon intensive manufacturing and production technologies. If offsets are going to be allowed, they should be limited to a small percentage of a facility's greenhouse gas reduction requirements. In addition, CARB needs to address how offsets would be evaluated and monitored on an ongoing basis to ensure they are real, verifiable, permanent and surplus.

We are also extremely concerned about the direction provided in the current draft of the scoping plan regarding offsets. The current proposal implies that sources in a cap and trade program would be able to cover 100 percent of their required (cap and trade) emission reductions by purchasing offsets rather than reducing emissions. This would be completely unacceptable from a public health perspective. If CARB does pursue an offsets program, we urge CARB to ensure that companies can only count offsets toward meeting a small percentage (less than 10%) of the required emission reductions.

Direct revenues to public interest programs, including community-level mitigation efforts.

CARB should ensure that additional state revenues raised through greenhouse gas fees or cap and trade programs are directed to assist global warming mitigation and adaptation efforts including energy efficiency, especially in environmental justice communities. We also join the Coalition For Clean Air and other organizations in recommending that a fixed percentage of revenues from market-based programs should be directed toward the establishment of a "community benefits fund" to assist communities suffering from disproportionate air pollution impacts.

Goods Movement

Incorporate stronger measures to reduce greenhouse gases from goods movement.

We believe there are significant opportunities for CARB to accelerate reductions of greenhouse gases from the goods movement sector, which is responsible for 20% of greenhouse gas emissions in the transportation sector as well as substantial adverse air quality and health impacts to communities near ports, railyards and other goods movement facilities. The serious health impacts and projected tremendous increase in goods movement activity at the ports calls for a greater level of effort to reduce criteria pollutant, toxics and greenhouse gas emissions. The opportunities range from electrifying vehicles, vessels and equipment such as switching locomotives, trucks, yard hostlers and tugs and increasing on-dock rail for more efficient container transport to incorporating efficiency measures and low carbon technologies into new port projects and developing more efficient containers and freight handling and operations at ports. We urge CARB to increase the scoping plan's commitment to reducing emissions from goods movement measures to assist in efforts to meet both short and long-term greenhouse gas reduction targets.

Industrial Sector

Strengthen regulatory requirements on industrial pollution.

CARB should include in the scoping plan additional strong regulatory measures to reduce greenhouse gas emissions in the industrial sector, such as petroleum refineries, power plants, and cement plants. Industrial sources account for 20% of the state's greenhouse gas emissions and also contribute significantly to local and statewide air quality problems. We believe the state should not rely solely on market measures to reduce emissions from this sector. Furthermore, additional regulatory measures on these types of facilities will provide important air quality and health benefits to the communities where they are located.

Energy

Maintain a strong commitment to a 33% renewable portfolio standard (RPS) Since electricity makes up 23% of greenhouse gas emissions in California, pursuing renewable energy sources is extremely important. We strongly support CARB's commitment to a 33% RPS. Both investor-owned and publicly-owned utilities must invest in more renewable energy sources, including wind, solar, and geothermal resources. Increased use of renewables will decrease California's reliance on fossil fuels and reduce greenhouse gas emissions from the energy producing sector.

Public Outreach and Education

A strong outreach and education program is critical to the success of the state's greenhouse gas reduction efforts. We urge CARB to adopt a comprehensive public outreach and education program to assist in the AB 32 implementation effort and to seek formal input and assistance from the public health community in developing this program. The state can build on highly successful social marketing campaigns to reduce tobacco use as well as programs it has previously established such as "Spare the Air" and "Flex Your Power" campaigns.

In conclusion, the American Lung Association appreciates CARB's effort to date on this groundbreaking state greenhouse gas plan and looks forward to continue working with you to ensure the plan is strong, health protective, and provides a solid framework for success in reaching the state's 2020 and 2050 goals.

Sincerely,

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Senior Policy Director

Linda Weiner
Director, Air Quality Advocacy and Outreach