



MAUREEN KIRK, CHAIR
Supervisor, District 3

JAMES JOHANSSON, VICE CHAIR
Vice Mayor, Oroville

BILL CONNELLY
Supervisor, District #1

JANE DOLAN
Supervisor, District #2

STEVE LAMBERT
Supervisor, District #4

KIM YAMAGUCHI
Supervisor, District #5

ANGELA THOMPSON
Councilmember, Biggs

SCOTT GRUENDL
Councilmember, Chico

JERRY ANN FICHTER
Mayor, Gridley

ALAN WHITE
Councilmember, Paradise

W. James Wagoner
Air Pollution Control Officer

(530) 891-2882
(530) 891-2878 Fax

Date of Release: May 26, 2010
Board Consideration: May 27, 2010

To: Butte County Air Quality Management District Board of Directors

From: W. James Wagoner, Air Pollution Control Officer

Staff Contact: W. James Wagoner, Air Pollution Control Officer

Re: **Supplemental Information:** Consider letter Requesting the Suspension of AB32
"The Global Warming Solution Act of 2006".

ISSUE:

Supplemental information for consideration.

Discussion:

Based on discussions with Councilmember Thompson, staff have prepared the attached letter for consideration, as directed by your Board at the April meeting.

1. Proposed letter Requesting the Suspension of AB 32.
2. Mojave Desert Air Quality Management District letter dated February 4, 2010



W. James Wagoner
Air Pollution Control Officer

(530) 891-2882
(530) 891-2878 Fax

MAUREEN KIRK, CHAIR
Supervisor, District 3

JAMES JOHANSSON, VICE CHAIR
Vice Mayor, Oroville

BILL CONNELLY
Supervisor, District #1

JANE DOLAN
Supervisor, District #2

STEVE LAMBERT
Supervisor, District #4

KIM YAMAGUCHI
Supervisor, District #5

ANGELA THOMPSON
Councilmember, Biggs

SCOTT GRUENDL
Councilmember, Chico

JERRY ANN FICHTER
Mayor, Gridley

ALAN WHITE
Councilmember, Paradise

May 27, 2010

The Honorable Arnold Schwarzenegger
Governor of the State of California
State Capitol Building
Sacramento, CA 95814

Re: AB 32 - The Global Warming Solutions Act of 2006

Dear Governor Schwarzenegger:

The Butte County Air Quality Management District is writing in support of the Mojave Desert Air Quality Management District's request of February 4, 2010 to suspend implementation of AB 32. Our Board is concerned with the potential adverse impacts the AB 32 regulations will have to our local economy including the loss of even more jobs during these trying economic times – the worst economic climate since the Great Depression. In particular, we are concerned with the loss of local businesses to our neighboring states, due to the “uneven playing field” created by AB 32.

We further agree with Mojave Desert AQMD that greenhouse gas regulation should occur at the federal level, or at least state regulations should be consistent with new federal regulations, insuring uniformity between states.

We note that as Governor you have authority under Health and Safety Code Section 38599 to adjust deadlines for individual regulations under AB 32 “*In the event of extraordinary circumstances, catastrophic events, or threat of significant economic harm...*”. We encourage you to exercise this authority.

Sincerely,

Supervisor Maureen Kirk, Chair
Butte County Air Quality Management District Governing Board

Attachment: Mojave Desert Air Quality Management District letter dated February 4, 2010



Mojave Desert Air Quality Management District

14306 Park Avenue, Victorville, CA 92392-2310

760.245.1661 • fax 760.245.2699

Visit our web site: <http://www.mdaqmd.ca.gov>

Eldon Heaston, Executive Director

February 4, 2010

The Honorable Arnold Schwarzenegger
Governor of the State of California
State Capitol Building
Sacramento, CA 95814

Re: The Global Warming Solutions Act of 2006

Dear Governor Schwarzenegger:

As you are most likely aware, the Mojave Desert Air Quality Management District (MDAQMD) has historically supported the goal of reducing the carbon footprint of both governmental agencies and industry. To that end, the MDAQMD was the first air district to join the climate action registry and certify our own carbon emissions reductions showing our serious commitment to these goals. The MDAQMD has also attempted to be an example to both industry and governmental agencies in showing that reduction of carbon emissions is not only good for the environment, but also results in considerable savings. Furthermore, for several years, the MDAQMD has been a leader in the process of trying to bring together major carbon dioxide emitters and both state and federal entities for a potential pilot project to examine the feasibility of carbon sequestration. There can thus be little question about the MDAQMD's commitment to carbon emissions reductions.

The Governing Board, however, is also very concerned about the potential impacts of the full implementation of the Global Warming Solutions Act of 2006 (AB32). Within the MDAQMD's jurisdiction – which includes the High Desert portion of San Bernardino County and the Palo Verde Valley of Riverside County - we are rapidly approaching “regulatory gridlock” which not only threatens to cripple the local and regional economy, but also hinders our agency's ability to adequately protect the local air quality and health of our residents. While we believe the goals of many of the legislative and regulatory enactments behind AB 32 are laudable and necessary, we are finding that, in an area of unique economic and regulatory challenges like ours, there are serious conflicts among existing and potential proposed regulatory programs.

ARB studies have demonstrated that elevated smog levels in our region are the result of overwhelming transported air pollution from the South Coast and the San Joaquin Air Basins. Studies have also shown that were it not for this windblown pollution from outside the MDAQMD's boundaries, our region would rarely – if ever – exceed state and federal ozone standards. Unfortunately, the Federal Clean Air act does not consider the source of pollution, just where the exceedance of the standards happened to be measured. As a result, businesses in our area are subject to costly and stringent New Source Review (NSR) requirements which mandate that they obtain non-existent pollution offsets before they are allowed to locate or expand within our jurisdiction.

This NSR requirement – which is precipitated by out-of-area smog over which the MDAQMD has no control – has forced many businesses to look elsewhere, many times out of state, for new and expanded locations. This has only served to further weaken an already fragile local economy.

Lest there be any doubt, the MDAQMD fully supports SB 375 and the concept of reducing vehicle emissions by reducing vehicle miles traveled (VMT), but the obstacle to the establishment of new local business has exacerbated a severe jobs/housing imbalance within the MDAQMD. In turn, this has resulted in forced commuting that severely impacts air quality. Indeed, surveys show that nearly 50% of our residents commute at least 40 miles each way to work, with many more traveling over 100 miles one way daily. It is estimated that over 200,000 cars travel in and out of the high desert area each and every work day, many times in heavy traffic. Both as a matter of principle and practice, we cannot support laws that (1) discourage businesses from establishing locally; (2) force local residents to commute unnecessarily; and, (3) unnecessarily increase air emissions both in our district and elsewhere. We cannot truly have “green cities” unless jobs are sited close to where people live. The MDAQMD is thus concerned about any law or regulation that has the effect of ultimately increasing the very GHGs which SB 375 and AB 32 are seeking to reduce, but that may be the result of hasty implementation of AB 32.

To make matters worse, our air quality is also jeopardized by recent proposals to amend California Desert Protection Act. California already has a renewable energy portfolio mandate for public utilities and, in addition, AB32 will require California to significantly reduce its use of fossil fuels by 2050. Consistent with these goals, the Mojave Desert is second only to the Sahara Desert in solar radiation. Unfortunately, conflicting land use mandates, CEQA and other regulatory air quality requirements are making new renewable energy projects nearly impossible to site within our jurisdiction. Indeed, the once promising solar power industry and related renewable energy job market in our region is being threatened by current and proposed regulations which severely restrict the construction of clean and essential energy generation facilities in the place where they make the most sense: the best region in the world for solar radiation located close to major population centers. This type of gridlock does not seem to make sense for the environment or the economy.

Adding to these layers of sometimes conflicting regulations and policy goals are the U.S. Environmental Protection Agency’s Mandatory Greenhouse Gas Reporting Rule, the Endangerment & Cause or Contribute Finding for Greenhouse Gasses under Section 202(a) of the Clean Air Act, the proposed Prevention of Significant Deterioration and Title V Greenhouse Gas Tailoring Rule and the proposed revisions to the National Ambient Air Quality Standards for Ozone. These regulations will all impact and may potentially come into direct conflict with current state laws and regulations as well as the proposed regulatory measures developed to implement AB32. And, adding to this mix, is the potential for Federal law preemption under the Wakman-Markey and Kerry-Boxer current proposals.



In light of the above, the MDAQMD Governing Board is very concerned about the potential impact of the expedited implementation of AB32 on the economy of the region. With a 16.6% average unemployment range looming large over our jurisdiction, we believe any additional mandates which impose even higher fees and more stringent requirements on local industry put us at a competitive disadvantage with neighboring states which are not regulating GHGs as stringently, if they are regulating it at all. For this reason, we believe that the state should delay full implementation of AB 32 and consider allowing GHG regulation to occur at the federal level, which insures uniformity between states as opposed to economic disparity and unfair competition. Basically, wait until the playing field is leveled so that both the environment and the economy will benefit. In this vein, we also strongly support NSR reform and a reopening of the Federal Clean Air Act to correct the myriad of existing problems with both permitting and PSD requirements.

Given the current economic and regulatory situation, this District proposes that a more considered and overarching approach is necessary. There will be a time and place for AB32 implementation, but we do not believe that now - during the worst economic climate since the Great Depression - is the appropriate time. We are troubled that if we are not cautious at this delicate juncture and fail to clearly set forth our priorities and carefully examine potential conflicts between regulatory programs at both the State and Federal levels, we may make some apparent gains in one area while jeopardizing progress in another. What we are asking for is not without precedent. Both your office and the legislature have waived CEQA and other requirements in order to site football stadiums finding that there is something very dysfunctional about the California regulatory requirements for projects. We would hope that both the air quality and economy of this region are due the same deference.

The MDAQMD Governing Board thus urges you to support any and all efforts to suspend further implementation of AB32 until some, if not all, of these conflicts have been looked at and potentially resolved. This District is not alone on this position, AB118-Logue reflects a proposed method to deal with these issues. The Governing Board of the MDAQMD understands that its request may involve a repeal or substantial reworking of the climate change effort in California, but we must do what is necessary. We look forward to working with you towards building a sustainable and economically viable California and hope that you will give this letter due consideration.

Sincerely,



Charley B. Glasper
Chairman, Governing Board of the MDAQMD



Letter to:

Governor Arnold Schwarzenegger :

U.S. Senator Barbara Boxer
U.S. Senator Dianne Feinstein

U.S. Congresswoman Mary Bono Mack
U.S. Congressman Jerry Lewis
U.S. Congressman Buck McKeon

Assemblyman Anthony Adams, 59th District
Senator Roy Ashburn, 18th District
Assemblyman Paul Cook, 65th District
Assemblywoman Connie Conway, 34th District
Senator Bob Dutton, 31st District
Assemblyman Stephen Knight, 36th District
Assemblyman Manuel Perez, 80th District
Senator George Runner, 17th District

Cc:

Lisa Jackson, Administrator, United States EPA
Mary Nichols, Chair, California Air Resources Board

