
SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No: SCR 39

Hearing Date: 07/13/2021

Author: Allen

Version: 4/22/2021

Urgency:

Fiscal: Yes

Consultant: Randy Chinn

SUBJECT: Officer Tommy Scott Memorial Highway

DIGEST: This resolution memorializes Los Angeles Airport police officer Tommy Scott for his service.

ANALYSIS:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the southbound portion of Interstate Highway Route 405 from Imperial Highway undercrossing No. 53-1241 (postmile R21.222) to West Century Boulevard undercrossing No. 53-1243 (postmile 22.216) in the County of Los Angeles as the Officer Tommy Scott Memorial Highway

COMMENTS:

- 1) *Purpose.* The purpose of this resolution is to acknowledge and commemorate the life and service of Los Angeles Airport Police Officer Tommy Scott.
- 2) *Background.* In 2005, Officer Scott was the first to die in the line of duty in the Los Angeles Airport police department's 59 year history. Officer Scott died in the line of duty while attempting to perform a traffic stop on a suspicious vehicle near Los Angeles International Airport. The suspect commandeered his vehicle at which point Officer Scott attempted to regain control of the vehicle and was dragged along side and eventually thrown into a fire hydrant, killing him instantly. It was later found that the suspect's intention was to drive the vehicle into an aircraft. Officer Scott's intervention and sacrifice may have ultimately saved the lives of many travelers.

Officer Scott worked as a lifeguard at a local community pool for 15 years before joining the police force where he saved 2 children from drowning. Officer Scott's community service and ultimate sacrifice are worthy of this recognition.

Officer Scott is survived by his father, now deceased, stepmother and older brother.

- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

RELATED LEGISLATION:

None.

FISCAL EFFECT: Appropriation: Fiscal Com.: Yes Local:

None.

POSITIONS: (Communicated to the committee before noon on Wednesday,
July 7, 2021.)

SUPPORT:

None received

OPPOSITION:

None received

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	AB 41	Hearing Date:	07/13/2021
Author:	Wood		
Version:	6/17/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Broadband infrastructure deployment

DIGEST: This bill requires the California Public Utilities Commission (CPUC) to maintain and update a statewide map showing the accessibility of broadband service including the percentage of each census block that has broadband service meeting federal and state standards and requires Caltrans to install broadband conduit, as specified.

ANALYSIS:

Existing law:

- 1) Gives the California Public Utilities Commission (CPUC) broad data collection authority while limiting public access to information submitted to the CPUC. Existing law specifies that utility information submitted to the CPUC can be made public through an order of the CPUC through a proceeding or hearing. Any present or former officer or employee of the CPUC who divulges confidential information is guilty of a misdemeanor. (Public Utilities Code §§583-584)
- 2) Requires Caltrans to notify entities working on broadband deployment about transportation projects suitable for broadband conduit installation prior to construction and develop guidelines to facilitate the installation of broadband conduit on state highway rights-of-way. The guidelines must address access to information on existing assets and collaboration on future projects. (Government Code §14051)

This bill:

- 1) Requires the CPUC to update an interactive map showing the accessibility of broadband service in the state, including, but not limited to, the percentage of each census block that has broadband service meeting federal and state standards.

- 2) Requires Caltrans to install broadband conduit when undertaking a highway construction project in a priority area, as defined.

(This description reflects amendments, which the author committed to take as a condition of approval by the Senate Energy, Utilities and Communications Committee.)

COMMENTS:

- 1) *Author's Statement.* As we develop our state infrastructure, we need to maximize opportunities for broadband deployment when we already have open trenches or are laying fiber. There is a recognition that the solutions presented in AB 41 will not apply to every single improvement of a state right of way. However, this bill intends to ensure that all possible connections and efficiencies are weighed seriously and in good faith. Californians are no longer asking "if" they will be connected, but "how". This bill seizes upon planned infrastructure upgrade opportunities to prepare California for a future that is already here.
- 2) *More Broadband Please.* The Legislature has recognize the lack of widespread and affordable broadband service since the 1990s. Numerous efforts and programs have attempted to close this digital divide, which has both urban and rural roots. Yet the COVID-19 pandemic made clear that despite those efforts, the digital divide remains and that bridging it is more important than ever.

One important component of the digital divide is the lack of broadband infrastructure, particularly in rural areas. Federal efforts have recognized the usefulness of the highway system right-of-way in helping build out that network.

A June 14, 2012 Executive Order by President Obama required the Department of Transportation to work with State and local governments to help them develop and implement best practices on broadband deployment. Regarding state policy, in August 2020 Governor Newsom issued Executive Order N-73-20, which directs state agencies to take necessary actions to accelerate the deployment of broadband, including directing CalSTA, Caltrans, and the California Transportation Commission to identify and incorporate the installation of conduit and/or fiber into appropriate and feasible transportation projects along strategic corridors. And the 2021-22 state budget provides \$7 billion in federal and state funding over two years to fund state broadband infrastructure projects and programs, of which \$4 billion is for the development

of a state-owned open access "middle mile" broadband network near the state's highways. (Please see the Senate Energy, Utilities and Communications Committee analysis for a more thorough discussion of the state of broadband deployment.)

- 3) *Good Fit.* Broadband conduit is a pipe in which broadband lines, typically fiber optic cable, can be installed. Laying the conduit simultaneously with a highway construction project can significantly reduce costs. Once the conduit is placed, a broadband provider can subsequently install the fiber optic cable. This bill significantly expands upon Caltrans' broadband responsibilities by requiring Caltrans to install broadband conduit as part of most highway projects, rather than to simply collaborate with broadband providers when they wish to install broadband infrastructure. The bill will require Caltrans to incur an up-front expense with potential cost recovery if and when a broadband provider elects to use the conduit.
- 4) *It's a Priority.* The priority areas where Caltrans must install broadband conduit will be determined by the CPUC. The priority areas shall be a geographically diverse group of projects in rural and urban areas that will achieve the greatest reductions in the number of households, which are unserved by broadband meeting federal and state standards.
- 5) *Questions of Caltrans Involvement.* There is no question that Californian's need a better, more comprehensive and affordable broadband network, and that making it less expensive to install broadband infrastructure is an important part of the solution. But there are three issues relating to the involvement of Caltrans. The first is whether the up-front installation of broadband conduit is consistent with the limitations in Article XIX of the Constitution, which generally limits how gas taxes can be spent. Caltrans believes this is not an issue because the bill provides for reimbursement by broadband providers.

The second issue is the relationship between this bill and the recently enacted budget. Pursuant to the budget, Caltrans has begun work on planning and installing the conduit and fiber optic cables for the middle mile network. This makes the bill requirement for Caltrans to install broadband conduit unnecessary.

The third issue is the development of guidelines and specifications for micro trenching. This is a technique for installing conduit and lines in smaller, shallower trenches. The reason for micro trenching is speed and lower cost, but it can be at the expense of shorter lifespans of the road and the infrastructure in the trench. Caltrans is developing a pilot program for micro trenching.

- 6) *Second Referral.* This bill passed the Senate Energy, Utilities and Communications Committee on July 5, 2021 on a 12-0 vote.

RELATED LEGISLATION:

AB 980 (Wood, 2017) — Required Caltrans to install broadband conduits capable of supporting fiber optic communication cables. *This bill was held in the Assembly Communications and Conveyance Committee.*

AB 1549 (Wood, Chapter 505, Statutes, 2016) — Requires Caltrans, during the planning phase of specified Caltrans-led highway construction projects, to notify broadband deployment companies and organizations on its Internet Web site of transportation projects that involve construction methods suitable for the installation of broadband.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

From the Assembly Appropriations Committee

- 1) Significant costs, likely in the mid hundreds of thousands of dollars, to the California Broadband Council to define and identify priority areas for broadband deployment within the state, based on specified criteria, and to develop a notification system to coordinate conduit deployment (General Fund). (Committee note: *The Broadband Council's role has been eliminated in the amendments committed to in the Senate Energy, Utilities and Communications Committee.*)
- 2) Significant one-time costs to Caltrans to develop micro trenching guidelines (special fund). Caltrans estimates this work to cost \$659,000 to cover the salary, overhead and benefits of three senior transportation engineers.
- 3) Significant costs, at least in the hundreds of thousands of dollars annually, to Caltrans resulting from increased requests for encroachment permits to install and maintain broadband fiber cable (special fund). Eventually, Caltrans should be able to recover these costs through encroachment permit fees.
- 4) Annual costs to Caltrans of an unknown, but significant amount, to install broadband conduit as part of Caltrans projects located in priority areas or in areas that connect broadband infrastructure to a priority area (special funds). Eventually, Caltrans should be able to recover these costs through encroachment permit fees.

POSITIONS: (Communicated to the committee before noon on Wednesday,
July 7, 2021.)

SUPPORT:

California Forward Action Fund
County of Marin
First 5 California
New Livable California DbA Livable California
Ochin, INC.
Rural Caucus, California Democratic Party
South Bay Cities Council of Governments

OPPOSITION:

Consolidated Communications Services Co. DbA Surewest
CTIA
Frontier Communications Corporation

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	AB 43	Hearing Date:	07/13/2021
Author:	Friedman		
Version:	07/06/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Traffic safety

DIGEST: This bill provides Caltrans and local authorities greater flexibility in setting speed limits based on recommendations the Zero Traffic Fatality Task Force made in January 2020.

ANALYSIS:

Existing law:

- 1) Prohibits driving at a speed greater than is reasonable or prudent having due regard for weather, visibility, traffic, and the surface and width of the highway, and in no event at a speed which endangers the safety of persons or property. This is known as California's Basic Speed Law.
- 2) Establishes a maximum speed of 65 mph under most circumstances and allows for lower speed limits under numerous specified conditions.
- 3) Defines "engineering and traffic survey" (ETS) as a survey of highway and traffic conditions in accordance with methods determined by Caltrans for use by state and local authorities. An ETS must consider prevailing speeds, accident records, and conditions not readily apparent to the driver. An ETS may consider residential density and bicycle and pedestrian safety.
- 4) Authorizes Caltrans and local authorities to establish a speed limit on most streets of between 60 mph to 25 mph in 5 mph increments on the basis of an ETS.
- 5) Establishes prima facie speed limits, or speed limits that apply when no other speed limit is posted, of 15 mph when traversing railroad crossings, in specified intersections, and in alleys, and of 25 mph in any business or residence district,

as defined, near schools and near senior centers. These speed limits do not need to be justified by an ETS.

- 6) Authorizes a local authority to set a speed limit of 20 mph or 15 mph as justified by an ETS on a street where there is a prima facie speed limit of 25 mph. Speed limits as low as 25 mph and 15 mph are authorized on streets with posted speed limits of 30 mph during school hours around schools under specified conditions provided the highway is posted with a school warning sign indicating when the lower limit is in effect.
- 7) Prohibits the use of speed traps, as defined, in arresting or prosecuting any violation of the Vehicle Code including speeding.

This bill:

- 1) Authorizes local authorities, when performing an engineering and traffic survey, to consider the safety of bicyclists and pedestrians, with increased consideration for vulnerable pedestrian groups.
- 2) Authorizes Caltrans and local authorities, on streets where a 65 mph limit is applicable, to lower the speed limit to as low as 15 mph pursuant to an ETS. Current law permits the speed limit to be as low as 25 mph.
- 3) Authorizes a local authority to establish a 15 mph speed limit when adjacent to school zones on highways with posted limits of 35 mph and up to four lanes during hours when children are present. Current law limits this provision to highways with posted speed limits of 30 mph and up to two lanes.
- 4) Authorizes a local authority to establish a 25 mph speed limit when approaching school zones on highways with posted limits of 35 mph and up to four lanes during hours when children are present. Current law limits this provision to highways with posted speed limits of 30 mph and up to two lanes.
- 5) Authorizes a local authority who, after completing an ETS, finds that the speed limit is more than reasonable or safe, to reduce the speed limit by 5 mph by ordinance if the highway is designated as a high-injury street, as defined by Caltrans, or the portion of highway is adjacent to any land or facility that generates high concentrations of bicyclists or pedestrians.

- 6) Authorizes a local authority who, after completing an ETS, finds that the speed limit is more than is reasonable or safe, to retain the current speed limit or restore the immediately prior speed limit.
- 7) Defines a business activity district as a central or neighborhood downtown, urban village or zoning designation that prioritizes commercial land uses at the downtown or neighborhood scale and meets the following tests:
 - a) Three of the following four conditions:
 - i. Retail or dining uses
 - ii. Street parking
 - iii. Traffic control signals no more than 600 feet apart
 - iv. Marked crosswalks not controlled by a traffic control device
 - b) And either of the following two conditions:
 - v. Pedestrian volume of greater than 10 pedestrians in one hour
 - vi. Bicycle volumes of 20 or more per hour
- 8) Authorizes a local authority by ordinance to declare a 25 mph or 20 mph speed limit in a business activity district when the highway has a maximum of four traffic lanes, a maximum posted speed limit of 30 mph if establishing a 25 mph speed limit, and a maximum posted speed limit of 25 mph if establishing a 20 mph speed limit.

BACKGROUND

- 1) *Zero Fatalities Task Force*. In 2018 AB 2363 (Friedman; Chapter 650) required the Secretary of the State Transportation Agency to convene a task force to develop policies for reducing traffic fatalities to zero. The task force commissioned research on speed setting from the UC Institute of Transportation Studies (UC ITS) and issued a report on its findings based on that research in January 2020 entitled “CalSTA Report of Findings; AB 2363 Zero Traffic Fatalities Task Force” (Task Force Report).
- 2) *Setting Speed Limits*. The Task Force Report describes how speed limits are currently set, a practice known as the 85th percentile:
 - a) Drivers play an important role in how posted speed limits are set. Many U.S. states and California rely on a long-standing and widespread

methodology known as the 85th percentile speed to establish speed limits. As its name implies, the 85th percentile speed is the velocity at which 85% of vehicles drive at or below on any given road. This approach was developed in the U.S. in the mid-20th century and is still the dominant factor in how speed limits are set in the U.S today. The 85th percentile methodology assumes that most drivers will drive at a safe and reasonable speed based on the road conditions. It is also based on the idea that speed limits are safest when they conform to the natural speed driven by most drivers and that uniform vehicle speeds increase safety and reduce the risks for crashes.¹

- 3) Over the last several years, the conventional wisdom supporting the 85th percentile methodology has been criticized. The UC ITS report finds that the 85th percentile speed was intended to only be a starting point for setting speed limits, with subsequent adjustments made to account for safety concerns. The Task Force Report criticizes the 85th percentile methodology as privileging driver behavior, not requiring consideration of other road users such as pedestrians and bicyclists, and assuming that drivers will choose reasonable speeds, among other things.
- 4) *How Safe Are We?* California has many traffic fatalities and injuries: nearly 3,600 people die each year in traffic crashes and more than 13,000 are severely injured.² However, the trend has been relatively steady over the near term -- traffic fatalities decreased 5.1% from 2018 to 2019³ -- and declining over the long term. Pedestrian fatalities have also been relatively steady; the CHP notes that statewide pedestrian fatalities increased only slightly, from 947 in 2016 to 1021 in 2019. Excess speed is only one of many factors that can cause these fatalities, including alcohol, drugs and distracted driving. CalSTA reports that about one-third of driving fatalities are due to speeding.
- 5) *What Determines How Fast We Actually Drive?* Driver speed is in part based on the driver perception of circumstances, such as width of the road, road geometry, surrounding environment, and smoothness of the road. As cars have become more powerful, handle better, and quieter, the perception of a safe speed has increased, leading to higher actual speeds. Some researchers contend that drivers tend to be poor judges of safe speeds.

¹ CalSTA Report of Findings, AB 2363 Zero Traffic Fatalities Task Force; January 2020.

² California Office of Traffic Safety, California Highway Safety Plan (2019), 5.

³ California Office of Traffic Safety, Quick Statistics website, June 29, 2021.

COMMENTS:

- 1) *Author's Statement.* Speed limit reform is far overdue in California. Speed limits are based on the speed driver's feel comfortable driving at, not safety. The 85th percentile is outdated, and has led locals to increase speed limits at the same time traffic fatalities continue to increase. Implementation of AB 43 at the local level has the potential to save hundreds of lives. This bill is the culmination of the Zero Traffic Fatalities Task Force recommendations on speed setting, verified and contributed to by experts across the state.

- 2) *Lower Speed Limits = Lower Speeds?* The goal of this bill is to lower speeds. But lowering speed limits doesn't by itself slow drivers much. The Federal Highway Administration notes that simply lowering speed limits has little impact on driver behavior.⁴ While the UC Institute of Transportation Studies concludes that reducing speed limits almost universally reduce speeds, "the absolute magnitude of speed changes from speed limits alone is quite small."⁵

Bill supporters note that 1/3 of traffic fatalities are speed related. They believe reducing speed limits will reduce speed, reducing fatalities and injuries.

Lowering speed limits too much carries its own risks. The Task Force Report notes that "artificially low speed limits can lead to poor compliance as well as large variations in speed within the traffic stream. Increased speed variance can also create more conflicts and passing maneuvers."

- 3) *Using All the Tools.* The most effective way to reduce speeds is through a combination of signage, street engineering and enforcement. As noted by the UC Institute of Transportation Studies, speed limits are a mechanism that can be used to control speed, but most studies suggest that effectively controlling speed relies on numerous other factors including enforcement, features of the road, land use, and traffic control devices.⁶

Perhaps the most important factor in reducing speeds is the street engineering, which describes the physical character of the streets and the surrounding environment. The Task Force Report acknowledges this:

⁴ FHWA; Effects of Raising and Lowering Speed Limits on Selected Roadway Sections (No. FHWA RD-97-084); p.24.

⁵ UC Institute of Transportation Studies: Research Synthesis for AB 2363 Zero Traffic Fatalities Task Force; December 31, 2019; p21.

⁶ *ibid*

“Many studies find that engineering changes are the most effective interventions at reducing pedestrian injury and fatality rates.”

“Task Force members overwhelmingly agree that changing a road’s infrastructure is the most important factor to reduce vehicle operating speeds.”

The Task Force Report identifies many potential street engineering changes, which they call engineering countermeasures, such as curb extensions, median islands, raised crosswalks, roundabouts, and speed bumps. Despite noting the effectiveness of engineering countermeasures, the Task Force Report recommendations state that these measures can be costly and time-consuming to implement, only recommending that they be reviewed and considered. Instead the Task Force Report supports automated speed enforcement (e.g. speed cameras), a more punitive and surveillance-heavy approach.

- 4) *Supporters Arguments:* The bill provides flexibility to lower speed limits which will make streets safer for all road users, as 1/3 of traffic fatalities are speed related, and will help cities prevent and reverse speed creep. Speed limits should account for all road users, not just cars. Reducing speed even a little will reduce deaths and injuries substantially.
- 5) *Opponent Arguments:* Studies demonstrate that lowering speed limits by itself won’t reduce speed. It will criminalize normal behavior and won’t make streets safer.
- 6) *Proposed Committee Amendments.* The following amendments are recommended by the committee to clarify sections of the bill and make its provisions more workable. With the proposed committee amendments the bill provides the opportunity for local governments to incrementally reduce speed limits to improve safety through a public process in specific circumstances as well as prevent and reverse speed creep. While the speed reductions resulting from this bill will not be as significant as if the bill required engineering countermeasures, any reduction in speed will improve public safety.
 - In Section 22358.7 (a)(1) which describes where a local government may reduce speed limits by 5 mph, the application to “any land or facility that generates high concentrations of bicyclists or pedestrians” is very general and includes any street with a bike shop or shoe store. This should be refined, narrowed and made more specific to deal with areas that generate a

safety concern by having Caltrans convene a group of experts in the next revision to the California Manual on Uniform Traffic Control Devices.

- In Section 22358.4 which expands where lower school zone speed limits can be set, the signage for when children are present is vague and difficult to understand. This section should be revised to instead require a flashing beacon when the school zone speed limit is being enforced or the section should be removed from the bill.
- In Section 22358.8 which is a general provision dealing with speed creep, the requirement for a finding of specific intent seems hard to demonstrate. Replacing that with no general purpose lanes having been added is much easier to demonstrate and achieves the same outcome. This section should also be clarified that the speed limit cannot be reduced more than 5 mph or below the immediately prior speed limit.
- In Section 22358.9 which establishes business activity districts, the definition should be simplified and made a bit more restrictive. Requiring that a majority of the highway consist of business or dining uses, rather than a single instance, seems like a more reasonable definition. This also makes the second test for a business activity district, a specified concentration of bicyclists or pedestrians, seem redundant.

RELATED LEGISLATION:

AB 550 (Chiu, 2021) — Authorizes a pilot program for automated speed enforcement. That bill is pending before the Assembly Appropriations Committee.

SB 735 (Rubio, 2021) — Authorizes a pilot program for the use of automated speed enforcement in school zones. That bill is pending before Senate Transportation Committee.

AB 2363 (Friedman, Chapter 650, Statutes, 2018) — Created the Zero Traffic Fatalities Task Force.

AB 529 (Gatto, Chapter 528, Statutes, 2011) — Allowed, in instances where Caltrans or the local authority should round up to reach the nearest 5 mph, that Caltrans or the local authority may instead round down but then may not reduce the posted speed limit by a 5 mph increment for a safety-related factor.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

From the Assembly Appropriations Committee

These requirements of this bill would lead to Caltrans needing to update the California Manual on Uniform Traffic Devices. Caltrans regularly updates this manual and reports it could absorb the work required by this bill within existing resources.

In addition, because the bill extends the longevity of Caltrans surveys where highway conditions have not changed, and because the bill will result in more roadways with set speed limits, Caltrans expects this bill to reduce its need to conduct engineering and traffic surveys by about 20%, which the department estimates will save approximately \$250,000 a year (special funds).

POSITIONS: (Communicated to the committee before 9am on Thursday, July 8, 2021.)

SUPPORT:

Alameda County Board of Supervisors
Alameda County Transportation Commission
Alameda-contra Costa Transit District (ac Transit)
Association of Bay Area Governments (ABAG)
Bay Area Council
Berkeley; City of
California Bicycle Coalition
California City Transportation Initiative
California State Association of Counties
Circulate San Diego
City and County of San Francisco
City of Alameda
City of Chula Vista, Mayor Casillas Salas
City of Glendale
City of Los Angeles
City of Novato
City of Oakland Bicyclist and Pedestrian Advisory Commission
City/county Association of Governments of San Mateo County
County of Santa Clara
Independent Hospitality Coalition
Los Angeles County Bicycle Coalition
Los Angeles County Metropolitan Transportation Authority

Metropolitan Transportation Commission
Napa County Transportation and Planning Agency/napa Valley Transportation
Authority
National Safety Council
Oakland; City of
Sacramento Area Council of Governments
San Diego Association of Governments
San Francisco Bay Area Families for Safe Streets
San Francisco County Transportation Authority
San Francisco Municipal Transportation Agency (SFMTA)
San Jose; City of
Silicon Valley Leadership Group
South Bay Bicycle Coalition
Southern California Association of Governments
Spur
The League of American Bicyclists
Thousand Oaks; City of
Vision Zero Network
Walk Oakland Bike Oakland
Walk San Francisco

OPPOSITION:

California Association of Highway Patrolmen
California Traffic Defense Bar Association, a California Not for Profit
Peace Officers Research Association of California (PORAC)

ACLU California Action
Auto Club of Southern California (AAA)
Safer Streets LA
Western Center on Law & Poverty

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	AB 349	Hearing Date:	7/13/2021
Author:	Holden		
Version:	4/15/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Melissa White		

SUBJECT: Small businesses: contracting: outreach: underrepresented groups

DIGEST: This bill requires state agencies to publish and make widely available information regarding public notice of contracts and procurement in order to facilitate the participation of small businesses.

ANALYSIS:

Existing law:

- 1) Defines a “small business” to mean an independently owned and operated business that is not dominant in its field of operation, the principal office of which is located in California, the officers of which are domiciled in California, and which, together with its affiliates, has 100 or fewer employees, and average annual gross receipts of \$10,000,000 or less over the previous three years, or is a manufacturer with 100 or fewer employees and less than \$15,000,000 average annual gross receipts, as specified.
- 2) Defines a “microbusiness” to mean a small business which, together with its affiliates, has average annual gross receipts of \$2,500,000 or less over the previous three years, or is a manufacturer with 25 or fewer employees. The average annual gross receipts threshold shall be \$5,000,000.
- 3) Requires the Director of General Services (DGS) and the directors of other states agencies, in order to facilitate the participation of small business, including microbusiness, in the provision of goods, information technology, and services to the state, and in the construction (including alteration, demolition, repair, or improvement) of state facilities, do all of the following when entering into a state contract:
 - a) Establish participation goals, consistent with those established by the Office of Small Business and Disabled Veteran Business Enterprise Services

(OSDS), for the extent of participation of small businesses, including microbusinesses, in the provision of goods, information technology, and services to the state, and in the construction of state facilities.

- b) Establish provisions and financial limits for small business preference, or non-small business preference for bidders that provide for small business and microbusiness subcontractor participation, in the award of contracts for goods, information technology, services, and construction.
 - c) Give special consideration to small businesses and microbusinesses by reducing the experience required and reducing the level of inventory normally required.
 - d) Make awards, whenever feasible, to small business and microbusiness bidders for each project bid.
 - e) Give precedent to small business and microbusiness bidders over non-small business bidders, when non-small business bidders may be eligible.
- 4) Requires the Department of Transportation (Caltrans), by January 1, 2019, to develop a detailed outreach plan, as specified, intended to increase procurement opportunities for new and limited contracting small business, including but not limited to, those owned by women, minority, disabled veterans, LGBT, and other disadvantaged groups, in all the Caltrans' transportation programs, including, but not limited to, state road repairs, bridge repair and maintenance, trade corridors, congestion commute corridors, and local partnerships.
- 5) Requires Caltrans to update the outreach plan based on the outcome of any disparity study undertaken every three years.
- 6) Allows Caltrans to meet public notice requirements to publish and circulate information regarding state contracting on Caltrans' website. If this information is published on Caltrans' website, Caltrans must also provide information listed on the department's website in trade papers, newspapers, or magazines, as appropriate, in order to ensure all communities have access to the public notice, including those publications whose primary audience consists of underrepresented groups, including, but not limited to, women, minorities, LGBT, and disabled veterans.

This bill:

- 1) Requires DGS and the heads of other state agencies that enter into contracts, in addition to any other applicable requirement for public notice of contracts, to publish or otherwise make available information regarding public notice of contracts in order to ensure all communities have access to the public notice.
- 2) Specifies that publishing this information is in order to facilitate the participation of small business, including microbusiness, in the provision of goods, information technology, and services to the state, and in the construction, including alteration, demolition, repair, or improvement, of state facilities.
- 3) Specifies that to “publish or otherwise make available” includes, but is not limited to:
 - a) Placement of information in media, including, but not limited to, general circulation newspapers, general circulation publications, and general market radio and television stations, including electronic media; local and regional community newspapers; newspapers, publications, and radio and television stations that provide information in languages other than English and whose primary audience is residents of minority and low-income communities; publications, including electronic media, that are distributed to the general market and to newspapers, publications, and radio and television stations whose primary audience is composed of underrepresented groups, including, but not limited to, women, minorities, LGBT individuals, and disabled veterans.
 - b) Information booths at job fairs or conferences oriented to both the general market and the economically disadvantaged, as well as those events drawing a significant participation by minorities or women.
 - c) Dissemination of information to other platforms as the awarding agency deems appropriate.
- 4) Emphasizes Caltrans’ authority to use existing resources for outreach efforts for events to promote small business enterprises, including, but not limited to, those owned by women, minorities, disabled veterans, LGBT individuals, and other disadvantaged groups, trainings to improve diversity, materials for matchmaking events, and resources for relationship development events to achieve goals established above for all agencies.

COMMENTS:

- 1) *Purpose.* According to the author, “AB 349 requires the Department of General Services and other state agencies and departments to expand outreach to small businesses, particularly those owned by individual that identify as LGBTQ, racial minorities, or women. In California, small businesses account for 3.9 million, or 99.8% of all California businesses. Of these small businesses, 1.6 million are minority-owned. Small businesses not only contribute significantly to the economy but also account for 7 million employees across the state. Given the devastating impact of COVID-19 on small business, the state needs to be proactive in revitalizing communities and supporting small business now more than ever.”
- 2) *Statewide Small Business Participation Goals.* In 2006, Governor Schwarzenegger signed EO S-02-06, which directs all state agencies, departments, boards, and commissions to achieve a minimum goal of 25% for small business participation in state procurements and contracts. State agencies in California are required to ensure small and microbusinesses are appropriately informed of potential contracting and procurement opportunities.

DGS maintains and reports annually on contract dollars awarded by state departments towards the state’s 25% Small Business/Microbusiness and 3% Disabled Veterans’ Business Enterprise (DVBE) participation goal in state procurement and contracting. Although DGS implements various strategies to aid departments’ achievement of their participation goals, there is no statutory penalty for not meeting the goal. Every year, state departments must report the total awarded state dollars for information technology, goods and services, construction procurements and contracts, and CAL-Card procurements, to DGS. Out of more than 200 state departments, 131 are “mandatory departments” that are under DGS’ purchasing authority and are required to report SB and DVBE participation each fiscal year.

DGS’ Office of Small Business and Disabled Veteran Business Enterprise Services (OSDS), reported in its California Consolidated Annual Report for Fiscal Year 2018-19, that of the 131 state departments that are required to report small business and DVBE participation in contracting, these departments awarded \$10.5 billion—the highest dollar amount awarded in the past five years. The state met the DVBE participation goal for the 11th year in a row at 3.2%, but – for the first time in six years – the state did not meet the SB participation goal. Small business participation reached only 20.6%, primarily due to a small subset of large-dollar emergency disaster relief procurements that did not include small business participation. Removing major emergency

purchases from the reporting, mandatory departments would have met the 25% participation goals; reporting 25.59% of total dollars being awarded to small businesses.

- 3) *Caltrans required to do more with more funding.* In 2017, the Legislature passed and Governor Brown signed into law SB 1 (Beall, Chapter 5, Statutes of 2017), known as the Road Repair and Accountability Act, which provides approximately \$5 billion per year for roads, transit, and active transportation programs. SB 1 investments significantly expand the scope of opportunities available for small businesses to participate on Caltrans' contracts. In addition to funding, SB 1 also required Caltrans to prepare a plan to increase by up to 100 percent the dollar value of contracts and procurements awarded to certified Small business, DVBE, and Disadvantaged Business Enterprise firms, including the use of targeted media to outreach to these businesses.

Subsequent legislation regarding SB 1, SB 103 (Committee on Budget and Fiscal Review, Chapter 95, Statutes of 2017), established additional provisions for various transportation programs, including a requirement for Caltrans to develop an outreach plan to increase procurement opportunities for new and limited contracting small business enterprises, including, but not limited to, those owned by women, minorities, disabled veterans, LGBT, and other disadvantaged groups, by January 1, 2019. SB 103 prescribes the types of outreach activities Caltrans should include in the plan. This plan was completed in 2019 and details steps being taken by the department to implement the requirements. Caltrans noted at the time that they had exceeded the 25% small business participation goal in the previous five years.

In addition to state goals, as a recipient of funding from the U.S. Department of Transportation (USDOT), Caltrans is also required to meet federal goals for Disadvantaged Business Enterprises (DBE). The current Caltrans goal for Federal Highway Administration-assisted contracts is 17.6%. According to Caltrans, the department reached a DBE participation rate of 18.91% in 2019 and 17.52% in 2020, which likely dipped due to the COVID -19 pandemic.

As part of federal DBE requirements, Caltrans must also conduct a disparity study every three years to determine this overall DBE participation goal. A disparity study assesses whether minority- and woman-owned businesses face any barriers as part of Caltrans's contracting processes. SB 103 also required Caltrans to take all lawful steps to raise the disparity indices for contracts awarded to 100 and to implement recommendations from every disparity study. Caltrans is currently wrapping up the disparity study discussed in SB 103. Specifically, the disparity study will focus on construction; professional

services; and goods and other services contracts and procurements that Caltrans awarded between January 1, 2015 - December 31, 2018. The disparity study will examine whether there are any disparities between the percentage of contract dollars that the Caltrans spent with minority- and woman-owned businesses during the study period, and the percentage of contract dollars that minority- and woman-owned businesses might be expected to receive based on their availability to perform specific types and sizes of Caltrans contracts.

- 4) *AB 349 builds on the existing outreach activities.* As noted by the author, AB 349 requires state agencies and departments to expand outreach to small businesses, especially in the wake of COVID-19. This bill details specific outreach activities, including where to publish information regarding public notice of contracts in order to ensure all communities have access. Additionally, the bill follows up on SB 103, by once again emphasizing Caltrans' ability to use resources for outreach efforts to improve diversity.
- 5) *Double Referral.* This bill was double referred to the Senate Governmental Organization Committee and was approved 15-0 on June 22, 2021.

RELATED LEGISLATION:

AB 915 (Chiu, 2021) – Would codify Executive Order S-02-06 which established a minimum participation goal of 25% for small businesses/microbusinesses and direct DGS to monitor the progress of all agencies, departments, boards and commissions towards meeting the 25% small business participation goal. AB 915 is pending in the Senate Business, Professions, and Economic Development Committee.

AB 1574 (Jobs, Economic Development, and the Economy, 2021) – Would make various changes to California's certified small and microbusiness, Disabled Veteran Business Enterprise (DVBE), and Target Area Contract Preference Act programs, including enhanced public promotion of the programs, authorizing any public prosecutor to bring a civil action for a violation involving a knowingly fraudulent representation, and expanding and clarifying the Target Area Contract Preference Act. AB 1574 is pending in the Senate Appropriations Committee.

SB 103 (Transportation Committee, Chapter 95, Statutes, 2017) — Required Caltrans to achieve, at a minimum, 25% certified small business participation in state-funded contracts and procurements, among other provisions.

SB 1045 (Polanco Chapter 1165, Statutes, 2002) — Required each state department or agency awarding a contract or procuring goods or services, and

authorizes each local agency receiving state funds, to collect information and report annually to the Governor and the Legislature on the participation level of minority, women, and disabled veteran-owned business enterprises in these contract and procurement activities.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, July 7, 2021.)

SUPPORT:

None received

OPPOSITION:

None received

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	AB 363	Hearing Date:	7/13/2021
Author:	Medina		
Version:	5/25/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Carl Moyer Memorial Air Quality Standards Attainment Program

DIGEST: Requires the California Air Resources Board (ARB) to, upon an appropriation by the Legislature, develop project grant criteria and guidelines for a new On-Road Heavy-Duty Vehicle Incentive Program (VIP2), which may include specified expansions of existing Voucher Incentive Program eligibility.

ANALYSIS:

Existing law:

- 1) Establishes ARB as the air pollution control agency in California and requires ARB, among other things, to control emissions from a wide array of mobile sources and coordinate, encourage, and review the efforts of all levels of government as they affect air quality.
- 2) Establishes the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program), to provide grants to offset the incremental cost of projects that reduce covered emissions from covered sources in California.
- 3) Defines disadvantaged communities (DACs) through a process conducted by the California Environmental Protection Agency based on geographic, socioeconomic, public health, and environmental hazard criteria.
- 4) Establishes local air districts to, among other things, control emissions from stationary sources and to, subject to the powers and duties of ARB, adopt and enforce rules and regulations to achieve and maintain the state and federal ambient air quality standards in all areas affected by emission sources under their jurisdiction.

This bill:

- 1) Requires ARB, upon an appropriation by the Legislature, to develop project grant criteria and guidelines for a new On-Road Heavy-Duty Vehicle Incentive Program (VIP2) that will provide additional incentives to eligible projects deployed in DACs or in low-income communities as defined in current law.
- 2) Provides that VIP2 may allow the following to participate:
 - a) Existing engines or vehicles, regardless of model year;
 - b) All on-road heavy-duty vehicles (HDVs) regardless of type or application;
 - c) Existing engines being replaced with new engines that have lower emissions;
 - d) Existing vehicles registered outside of the state, so long as they have operated at least 75% of the time each year for the past 2 years;
 - e) Any size fleet, though ARB may limit the number of vouchers issued per year per fleet.
- 3) Makes numerous findings about California's emission goals and the status of several state heavy-duty vehicle programs.

BACKGROUND:

Existing Programs. California has number of medium- and heavy-duty vehicle programs designed to support our clean air and GHG emission reduction goals. Among them:

- a) *Carl Moyer Program*. Provides about \$60 million annually to deploy engines, equipment, and emission reduction technologies that are cleaner than required by current law and regulations. The Moyer program funds the On Road Heavy Duty Voucher Incentive Program (VIP) which replaces existing, high-polluting vehicles with newer, lower-emission vehicles earlier than would have been expected through normal attrition or by regulation. According to ARB's website, only 5 of the state's 35 air districts currently implement VIP though they include the three most populous: South Coast Air Quality Management District (AQMD), Bay Area AQMD, North Coast Unified AQMD, San Diego County Air Pollution Control District (APCD), and Siskiyou County APCD.

- b) *Hybrid and Zero Emission Truck and Bus Voucher Incentive Program (HVIP)* Provides subsidies to encourage the purchase of early commercial clean vehicle technologies. This program is over-subscribed.
- c) *Advanced Clean Truck Regulation.* Requires that a specified percentage of trucks sold by a manufacturer in California be zero emission beginning in 2024.
- d) *Truck and Bus Regulation.* Requires all fleets to reduce NOx and diesel particulate emissions.

Executive Order N-79-20. In Executive Order N-79-20, Governor Newsom established a goal that 100% of medium and heavy-duty (MHD) vehicles be zero-emission vehicles (ZEVs) by 2045. The executive order makes no mention of natural gas powered vehicles, which are not ZEVs.

COMMENTS:

- 1) *Author’s Statement.* Reducing NOx and greenhouse gas emissions (GHGs) continues to be a priority for California. This bill address the former while providing a substantial co-benefit to the latter. AB 363 compliments Executive Order N-79-20 by providing near-term emissions reductions that are not included. Furthermore, heavy-duty vehicles are also a dominant source of harmful air pollution, which disproportionately impacts disadvantaged and low income communities, especially those located along freight hubs. These communities need clean air sooner rather than later.
- 2) *Nowhere to Go.* In December of 2020, ARB updated HVIP implementation guidelines to make them cleaner. Given the program’s oversubscription, a narrowing of eligible technologies to even cleaner technologies makes sense. While HVIP will still issue vouchers for natural gas engines meeting the new cleaner standard, no such engine has yet been certified by ARB. This is the heart of the concern by the sponsors. They have a product, which is cleaner than diesel engines, but with the tightened HVIP standards, there is no state subsidy program to support it. The program they hope to create through this bill, VIP2, provides them with a program.
- 3) *Program Comparison.* The chart below compares the eligibility criteria for the existing VIP program (also described above) compared to the program that could be created under this bill:

Characteristic	VIP (existing)	VIP2 (new program)
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	program)	under this bill)
Model years	Must be 2009 or older, replaced with an engine 2013 or newer	Any year
Vehicle type	>14,000 lbs gross vehicle weight (e.g. heavy-duty), not covered by specified sector-specific regulations	Any on-road heavy-duty vehicle and any application
Replacement engine emission standards	Made 2013 or later, meets CARB 2010 engine-emissions standards	Any new engine with lower emissions than the engine being replaced
In-state vehicles	New vehicle must be registered in CA and operate $\geq 75\%$ of the year	New vehicle must be registered in California
Fleet size	Under 10 vehicles	Any size fleet

The comparison illustrates the potential effects of the bill. Were the bill to become law and implemented as written:

- Any new engine could replace any old engine so long as it were cleaner. Under the existing VIP only the dirtiest engines are eligible and they must be replaced with engines meeting significantly higher air quality standards.
- Participants can be any fleet size whereas under the existing VIP only small fleets are eligible.
- Vehicles subject to other emissions regulations, such as garbage trucks and passenger busses, may participate in the program and obtain additional subsidies. Under the existing VIP they cannot.
- The new vehicle would not have to operate in California. Under the existing VIP the new vehicle would have to operate in California at least 75% of the time.

4) *Consistency with Executive Order?* As noted above, Executive Order N-79-20 calls for 100% of medium- and heavy-duty vehicles to be zero emission by 2045. Meeting this goal underpins ARB’s 2020 Mobile Source Strategy.

Encouraging non-ZEVs, as this bill does, seems inconsistent with the Executive Order.

- 5) *Contingent on Appropriation.* This bill will only be effective upon an appropriation. In addition, while it requires CARB to develop a new program for heavy-duty vehicles deployed in disadvantaged and low-income communities, the specifications in the VIP2 program proposed in the bill are not binding on CARB.
- 6) *Near Term v. Long Term.* Diesel trucks are highly polluting and there are significant equity benefits to replacing those trucks, as noted in the Senate Environmental Quality Committee analysis of this bill. While the bill is contingent on an appropriation, which was not included in the 2021-22 budget, finding the right balance of expenditures for near term benefits from programs such as contained in this bill versus longer term benefits from zero emission vehicles is tricky business. While the desire to rid our air of criteria pollutants and GHGs is limitless, our resources are not.
- 7) *Federal Clean Air Act Impact?* The federal Clean Air Act protects public health by limiting and reducing pollution. Under the Act, the US EPA establishes nationwide air quality standards. Regions that do not meet the national standards are known as nonattainment areas. (Most of California, including the greater Los Angeles and San Francisco Bay areas, are nonattainment areas.) The Act sets deadlines for attainment and requires states to develop comprehensive plans, known as State Implementation Plans (SIP). Failure to meet SIP obligations can result in the federal government withholding transportation funding. ARB and regional programs are developed with this in mind. While proponents believe this program will reduce pollutants because diesel engines will be replaced with natural gas engines, it isn't clear that the reductions can count toward the SIP obligations because the emission reductions must be in excess of existing requirements. Further investigation of the impact of this bill on the SIP should be undertaken.
- 8) *Second Referral.* This bill passed the Senate Environmental Quality Committee on a 6-0 vote on June 28, 2021.

RELATED LEGISLATION:

SB 372 (Leyva, 2021) — This bill establishes the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the ARB's Air Quality Improvement Program to make financing tools and nonfinancial supports available to the operators of medium- and heavy-duty vehicle fleets to enable those

operators to transition their fleets to zero-emission vehicles; requires CARB to designate the California Pollution Control Financing Authority as the agency responsible for administering the program. *This bill is pending in the Assembly Natural Resources Committee.*

AB 794 (Carrillo, 2021) — Establishes labor and workforce standards as a co-benefit of clean air standard vehicle incentive programs and conditions incentive eligibility on first meeting the clean air standard and then by meeting the labor and workforce standards. *AB 794 is currently awaiting hearing in the Environmental Quality committee.*

AB 111 (Boerner Horvath, 2021) — Requires CalSTA to implement a Safe and Clean Truck Infrastructure Program to support the construction and operation of zero-emission medium- and heavy-duty vehicle parking and electric vehicle charging and hydrogen refueling infrastructure on public and private properties, and to encourage the use of zero-emission vehicles. Requires the PUC, in consultation with the CEC and ARB, to establish a rate structure to promote the adoption of zero-emission vehicles and zero-emission freight equipment. *This bill was held in the Assembly Transportation Committee.*

SB 44 (Skinner; Chapter 297 of 2019) — Requires ARB to update the 2016 mobile source strategy to include a comprehensive strategy for the deployment of medium duty and heavy-duty vehicles in the state for the purpose of bringing the state into compliance with federal ambient air quality standards and reducing motor vehicle GHG emissions from the medium duty and heavy-duty vehicle sector, as specified.

SB 1403 (Lara; Chapter 370 of 2018) — Requires ARB to adopt a three-year investment strategy for zero- and near zero-emission heavy-duty vehicles.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

Unknown.

POSITIONS: (Communicated to the committee before noon on Wednesday, July 7, 2021.)

SUPPORT:

Bioenergy Association of California
Brightmark

California Compost Coalition
California Natural Gas Vehicle Coalition
California Waste Haulers Council
Clean Energy
Clean Fleets
Cummins Westport
E.j. Harrison and Sons, INC.
Frontline Bioenergy
Hexagon Agility
Inland Empire Disposal Association
Los Angeles County Sanitation Districts
Momentum Fuel Technologies
Mustang Renewable Power Ventures
Natural Gas Vehicles for America
Republic Services - Western Region
Resource Recovery Coalition of California
Rush Enterprises
San Joaquin Renewables, LLC
Trillium USA Company, LLC D.b.a. Trillium Cng
Trustar Energy
Tss Consultants
USA Renewable Energy
Western Propane Gas Association

OPPOSITION

None reported

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No: AB 641 **Hearing Date:** 7/13/2021
Author: Holden
Version: 6/14/2021
Urgency: No **Fiscal:** Yes
Consultant: Randy Chinn

SUBJECT: Transportation electrification: local publicly owned electric utilities

DIGEST: This bill requires all electric publicly owned utilities (POUs) to facilitate and ensure the availability of infrastructure for the charging of passenger electric vehicles (EVs) within its service territory.

ANALYSIS:

Existing law:

- 1) Requires the governing board of a POU with an annual electrical demand exceeding 700 gigawatt-hours (GWh) to adopt an Integrated Resource Plan (IRP), and a process for updating the plan, at least once every five years to ensure the utility achieves specified objectives. (Public Utilities Code § 9621)
- 2) Requires that the POU's IRP address procurement for, among other things, transportation electrification. (Public Utilities Code § 9621(d)(1)(C))
- 3) Requires the California Public Utilities Commission (CPUC) to direct investor-owned electric utilities (IOUs) to file for programs and investments to accelerate widespread transportation electrification. (Public Utilities Code § 740.12)
- 4) In part requires the CPUC rate-base all infrastructure needed to facilitate EV charging (except the charger) into distribution rates of the state's IOUs. (Public Utilities Code § 740.19)
- 5) As established through Executive Order N-79-20, creates a goal of 100% of in-state sales of new passenger cars and trucks will be zero-emissions by 2035, 100% of medium- and heavy-duty trucks will be zero emission by 2045 where feasible, and 2035 for drayage trucks, with these goals supported by CARB regulations.

This bill:

- 1) Requires each POU to ensure the availability of at least one electric vehicle charging station in its service territory.
- 2) Requires each POU to develop a transportation electrification plan to support the levels of electric vehicle adoption required to meet the goals of putting 5 million zero-emission vehicles on California roads by 2030 and reducing greenhouse gas emissions to 40% below 1990 levels by 2030.
- 3) Encourages POUs to provide specified information, if possible, about supporting transportation electrification.
- 4) Provides that a POU that has adopted an integrated resource plan or a transportation electrification plan before January 1, 2022 is deemed to be in compliance with the provisions of the bill.

(This description reflects the amendments agreed to by the author as a condition of passing the Senate Energy, Utilities and Communications Committee.)

COMMENTS:

- 1) *Author's Statement.* The vehicle manufacturing market is responding strongly to California's call for moving to zero-emission vehicles. Consequently, we must have a strong charging infrastructure to keep up with the deployment of electric vehicles. The state has several initiatives in place to meet this need but there is still a gap in the publicly owned utilities (POU) sector. The state's electric investor owned utilities (IOUs) and about one-third of the approximately four dozen POUs have transportation electrification plans, but not all. Electric IOUs and many of the larger POUs have deployed EV charging infrastructure as well. This bill fills that gap and requires the remaining POUs to come on board and ensure that their grid can support charging and that public charging is also available in their region.
- 2) *POUs and IOUs?* There are two primary types of electric utilities. The biggest are investor-owned utilities (IOUs) such as Southern California Edison and PG&E and they collectively service about 75% of the state's electric customers. The other type of electric utility are publicly owned electric utilities (POUs). These are typically much smaller than IOUs and owned by a municipal or regional government; think the Los Angeles Department of Water and Power though they can be much smaller, such as Alameda Municipal Power (serving 34,000 customers) or the Modesto Irrigation District (serving 128,000)

customers. POUs are self-regulated by appointed, and sometimes elected, boards whereas the California Public Utilities Commission regulates IOU.

- 3) *California Has Ambitious Statewide Transportation Electrification Goals.* Executive Order N-79-20 establishes very ambitious statewide zero-emission vehicle (ZEV) goals, including a goal of 100% of in-state sales of new passenger cars and trucks will be zero-emissions by 2035. This translates to 8 million light duty ZEVs on the road by 2030. The author and committee may wish to consider amending the bill to reflect this number, rather than the 5 million that is currently in the bill in Section 9624 (b)(1) which reflects a less ambitious goal from an earlier Executive Order, N-19-19.
- 4) *Far Behind.* Our ZEV goals can't be met without adequate charging infrastructure. The CEC estimates that California will need 1.2 million chargers by 2030 to service our goal of 8 million light duty ZEVs¹. As of late 2020, there were about 70,000 chargers, meaning we will need to install another 1.1 million additional chargers.
- 5) *Everyone Doing Their Share.* One of the ways that the charging gap will be closed is by allowing IOUs to include the cost of transportation electrification in rates, which is authorized under current law. The 16 largest POUs have done something similar. This bill is intended to address the other 29 POUs who have not. It is only fair that all utilities do their share to help the state meet its statewide goals. While these 29 are small, the bill gives them near total latitude to make their own decision on how many chargers to install and whether and how much to support transportation electrification through lower electric rates. Only a handful of the smallest POUs will be effected by the requirement for at least 1 charging station.
- 6) *Double Referral.* This bill was heard on July 5 in the Senate Energy, Utilities and Communications Committee and approved 11-1.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

From the Assembly Appropriations Committee

No state costs. While this bill mandates activities of a local government that might entail costs, the local government, they, as the bill observes, has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill.

¹ California Energy Commission Revised Staff Report; "Assembly Bill 2127 Electric Vehicle Charging Infrastructure Assessment"; May 2021 (CEC-600-2021-001-REV); p14.

RELATED LEGISLATION:

SB 437 (Wieckowski, 2021) — Requires local electric POU's to include, as applicable, in each updated IRP, details of the utility's electrical service rate design that supports transportation electrification. *The bill is pending in the Assembly Committee on Appropriations.*

SB 350 (De Leon, Chapter 547, Statutes, 2015) — Created the requirement that each POU file an IRP with the CEC and required utilities to make investments supporting widespread transportation electrification to meet California's climate goals.

POSITIONS: (Communicated to the committee before noon on Wednesday, July 7, 2021.)

SUPPORT:

Coalition of California Utility Employees

OPPOSITION:

None reported

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	AB 723	Hearing Date:	July 13, 2021
Author:	Low		
Version:	6/21/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Melissa White		

SUBJECT: Foreign driver's licenses

DIGEST: This bill allows the Department of Motor Vehicles (DMV) to waive the behind-the-wheel driving examination for a person with a driver's license from a foreign nation when applying for a California driver's license if specific conditions are met.

ANALYSIS:

Existing law:

- 1) Permits a person over the age of 18 and is a resident of a foreign nation who possesses a driver's license from that nation to operate a motor vehicle within California without obtaining a driver's license from the Department of Motor Vehicles (DMV).
- 2) Permits a person between the age of 16 to 18 and is a resident of a foreign nation who possesses a driver's license from that nation to operate a motor vehicle within California without obtaining a driver's license from DMV for 10 days immediately following entry into the state, unless the person obtains a nonresident minor's certificate from DMV.
- 3) Prohibits a person who is a resident in California from possessing more than one driver's license and further requires a person to surrender their driver's license from a foreign jurisdiction prior to being issued a driver's license from DMV.
- 4) Requires an applicant for an original driver's license to:
 - a) Take and pass an examination which tests the applicant's knowledge and understanding of California's rules of the road, ability to read and

understand simple English used in highway signs and markers, and understanding of traffic signs and signals;

- b) Demonstrate their ability to exercise ordinary and reasonable control in operating a motor vehicle by driving under the supervisions of an examining officer; and
 - c) Pass a visual and hearing exam.
- 5) Allows the DMV to waive the behind-the-wheel portion of the driver's license examination for any applicant who submits a license issued by another state, territory, possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

This bill:

- 1) Allows the DMV to waive the behind-the-wheel portion of the driver's license examination for a foreign national seeking a Class C license if it has found that the applicant has an equivalent Class A, B or C driver's license from a country with a substantially similar driving examination to its own and that country has signed a memorandum of understanding that it will reciprocate the same privilege for California drivers.
- 2) Requires an applicant requesting a California driver's license with a driver's license from a foreign nation that is seeking the behind-the-wheel exemption to meet the following criteria:
 - a) Be 18 years of age or older;
 - b) Submit satisfactory proof of California residency;
 - c) Submit a copy of the foreign driver's license and a five year driving record translated into English with both documents notarized by the consulate general of the issuing foreign nation within California; and,
 - d) Surrender their foreign driver's license to DMV.
- 3) Restricts DMV to only waive the behind the wheel portion of the exam if it verifies that the applicant does not have any stops, holds, or other impediments the individual's foreign driver's license.

- 4) Defines “foreign nation” as any jurisdiction other than a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

COMMENTS:

- 1) *Purpose.* According to the author, “we have to ask ourselves why California — a state that embraces immigration more than any other state in the country — has failed to lead when it comes to the Department of Motor Vehicles and foreign drivers. States like Massachusetts, Vermont, Iowa, Michigan and even Texas have reciprocity agreements with countries that allow their residents to obtain a driver’s license without being subjected to excessive delays and red tape. The pandemic has only exacerbated the situation, proving that we need to streamline the process and allow people to get on the road in a safe and thoughtful manner.”
- 2) *Current DMV process.* Americans from other states and foreign nationals are allowed to drive in California without a California driver’s license if they are visiting the state and have a driver’s license from their home state or country. California does not require visitors from a foreign nation to have an International Driver’s Permit (IDP), also referred to as an International Driver’s License, in order to drive in the state. An IDP is a document that translates individual’s driver’s licenses into 19 different languages and is often required when visiting other countries.

Once someone becomes a resident of California, they are required to have a California driver’s license in order to drive in this state. New residents from out-of-state are required to take the written examination on the rules of the road and pass a visual and hearing examination in order to obtain a California driver’s license. They may have to take a behind-the-wheel portion of the driver’s license exam, but that exam can be waived by DMV if the department verifies the applicant’s driving record from another state, territory, or possession of the United States does not have any stops, holds, or other impediments on their license. DMV checks driver’s records through a national registry managed by the National Highway Traffic Safety Administration (NHTSA), called Problem Driver Pointer System. Finally, a licensee must surrender their out-of-state license in order to receive their California driver’s license.

Foreign nationals, regardless of their country of origin, are required to take both the written and behind-the-wheel portion of the exam to obtain a California driver’s license.

- 3) *AB 723 allows DMV to waive the behind-the-wheel test.* AB 723 allows DMV to waive the driving portion of the exam for foreign nationals after specific conditions are met. First, DMV has to make a finding that the foreign country's driving examination is substantially similar to its own. Second, DMV and the country have signed a memorandum of understanding that they will provide the same treatment for California licensees in their territories. Third, DMV must verify that there are no stops, holds, or other impediments to the issuance of a driver's license. To do so, DMV must receive a copy of the individuals driving record for the last five years and a copy of their license, both translated into English. Both must be notarized by the consulate general's office of the country of origin in California.

Additionally, while a driver from a foreign nation can submit a commercial or non-commercial Class A, B or C license to have their examination waived, they will only be able to receive a non-commercial Class C license. Finally, the licensee will have to surrender their existing driver's license to DMV for destruction.

- 4) *Other states have international reciprocity.* As noted by the author, numerous other states have varying levels of reciprocity for new residents from foreign nations obtaining a driver's license. For example, Massachusetts, has agreements with certain countries to allow for former licensed residents to convert their license, while waiving aspects of their required testing. Currently Massachusetts has agreements with Canada, Mexico, Republic of Korea, Federal Republic of Germany, Republic of France, and Taiwan.

RELATED LEGISLATION:

AB 269 (Quirk-Silva, 2019) — Was sustainably similar to this bill. AB 269 was held in the Assembly Appropriations Committee.

SB 1360 (Portantino, 2018) — Was substantially similar to this bill. SB 1360 was not taken up for a vote and died on the Assembly floor.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday,
July 7, 2021.)

SUPPORT:

None received

OPPOSITION:

None received

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	AB 773	Hearing Date:	7/13/2021
Author:	Nazarian		
Version:	7/5/2021		
Urgency:	No	Fiscal:	No
Consultant:	Melissa White		

SUBJECT: Street closures and designations

DIGEST: This bill authorizes local authorities to implement a “Slow Streets Program,” as specified, to close or limit access to vehicular traffic on certain neighborhood local streets. Defines requirements for the program including public outreach and engagement.

ANALYSIS:

Existing law:

- 1) Prohibits a city or county from enacting or enforcing any ordinance or resolution on matters covered by the California Vehicle Code unless expressly authorized by that code.
- 2) Allows local authorities, for those highways under their jurisdiction, to adopt rules and regulations by ordinance or resolution on a number of matters, including:
 - a) Closing any highway to vehicular traffic in certain circumstances, including it is no longer needed for vehicular traffic or the closure is in the interest of public safety, as specified.
 - b) Designating any highway as a through highway, as specified.
 - c) Prohibiting the use of particular highways by certain vehicles, as specified.
 - d) Closing particular streets during regular school hours for the purpose of conducting automobile driver training programs, as specified.
 - e) Temporarily closing a portion of any street for celebrations, parades, local special events, and other purposes, when local authorities designate the

closing as necessary for the safety and protection of persons who are to use that portions of the street during the closure.

- f) Prohibiting entry to, or exit from, any street by means of islands, curbs, traffic barriers, or other roadway design features to implement the circulation element of a general plan.

This bill:

- 1) Defines a “Slow Streets Program” to include closures to vehicular traffic or through vehicular traffic of neighborhood local streets with connections to citywide bicycle networks; destinations, such as a business district, within walking distance; or green space.
- 2) Authorizes a local authority to implement a Slow Streets program by adopting an ordinance that provides for the closing of streets to vehicular traffic or limiting access and speed on a street using roadway design features, including, but not limited to, islands, curbs, or traffic barriers.
- 3) Requires a local authority to meet the following requirements to implement a Slow Streets program:
 - a) Conduct an outreach and engagement process that includes notification to residents and owners of property abutting any street being considered for inclusion in the program.
 - b) Determine that the closure or traffic restriction leaves a sufficient portion of the streets in the surrounding area for other public uses, including vehicular, pedestrian, and bicycle traffic.
 - c) Provide advance notice of the closure or traffic restriction to residents and owners of property abutting the street.
 - d) Clearly designate the street closure or traffic restriction with signage in compliance with the California Manual on Uniform Traffic Control Devices.
 - e) Determine that the closure or traffic restriction is necessary for the safety and protection of persons who are to use that portion of the street during the closure or traffic restriction.
 - f) Maintain a publically available internet website with information about its Slow Streets program, including a list of streets that are included in the

program or are being evaluated for inclusion in the program, and instructions for participating in the public engagement process.

COMMENTS:

- 1) *Purpose.* According to the author, “Slow Streets program has offered children, families, and constituents throughout the state of California the opportunity to play, exercise, and socialize, safely, in their own neighborhoods throughout the pandemic. Enacting AB 773 will give local communities the opportunity to have safer and more accessible streets that promote healthy neighborhood recreation, especially during the ongoing public health crisis as AB 773 authorizes local authority to make temporary slow streets permanent slow streets.”
- 2) *What are slow streets?* According to the National Association of City Transportation Officials (NACTO), slow streets reduce traffic volume and speed to a minimum so that people can walk, bike, and run safely. Slow streets typically involve the installation of temporary traffic barriers and “Local Traffic Only” signs or similar signage at main vehicle entry points, and the identification of stewards to take care of and monitor barricades. Slow streets allow local access, deliveries, and emergency vehicles.

Both before and especially during the COVID-19 pandemic, cities globally as well as in California have initiated Slow Streets programs, which are generally focused on providing safe places for people to walk, cycle, skate, or otherwise get outside and exercise without having to worry about vehicular traffic at high speeds.

- 3) *COVID-19 and Active Transportation.* According to the California Transportation Plan 2050 (CTP 2050), a long range transportation plan developed by the California Department of Transportation (Caltrans) that provides a blueprint for the future of California transportation, “in the months following the outbreak of COVID-19, more Americans embraced active travel. California cities that typically have low bicycle ridership, such as Riverside and Oxnard, experienced a 90% to 125% increase in bicycle miles traveled. Stockton, Bakersfield, Fresno, Sacramento, and San Diego also experienced increases of more than 50%. Trends suggest that travelers shifted from transit to active travel when risks increased. In San Francisco, many residents who needed to make essential trips opted to walk or bike. Recreational biking and walking have also skyrocketed. The Rails-to-Trails Conservancy observed a 110% increase in trail use compared to the same period in 2019.”

- 4) *California Cities Adopt Slow Streets Programs.* In 2020, after Governor Newsom issued an emergency stay-at-home order for the state and required social distancing measures for protection from COVID-19, many cities in California moved to implement temporary Slow Streets programs to help facilitate alternative mobility and outdoor activity. These cities include Los Angeles, Sacramento, Oakland, and San Francisco, to name a few. Each city developed a unique program with common elements including a focus on neighborhood local streets and establishing network connections for better mobility. Local authorities either identified streets for possible inclusion in the program or asked for public nomination and input of streets to include. The local authorities would erect temporary barriers and signage on the slow streets to restrict them from traffic or through traffic and lower vehicle speeds.

For example, Los Angeles launched its Slow Streets program in May 2020. Eligible organizations would nominate a small network of neighborhood streets to reduce and slow traffic. A network of eligible streets to be nominated must be approximately 1-3 miles in length, local or collector streets as identified by the city's Mobility Plan 2035 that are primarily residential, and the road segments should be contiguous to one another and provide connections to nearby neighborhood destinations.

After vetting applications, the Bureau of Street Services (StreetsLA) and the Los Angeles Department of Transportation (LADOT) deployed temporary signage at intersections advising drivers to slow down for people using the street to exercise. Slow Streets sponsors play an active role by communicating the project to their neighbors and ensuring barricades and signage are properly placed throughout the project. Local traffic and parking are still allowed on the streets.

The city also focused on equity in its deployment of slow streets, noting, "Slow Streets L.A. set out with the goal to deploy 20 Slow Streets with at least five within communities most impacted by the lack of open space due to the pandemic. In Los Angeles, these are typically communities with high residential density, low access to traditional recreational opportunities, communities of color, and low income communities." According to the city, demand for Slow Streets remains high with over 427 applications received to date. LADOT implemented approximately 50 miles of Slow Streets in 30 neighborhoods. In October 2020, the city reached capacity for the program and paused on implementing new slow streets, and are now focusing efforts and resources in enhancing the current network.

In launching its Slow Streets program, the City of San Francisco noted, “the goal of the Slow Streets program is to provide more space for socially distant essential travel and exercise during the COVID-19 pandemic. In order to support further reopening of the economy, we need to make San Francisco more welcoming and accessible for people who want to travel on foot, bicycle, wheelchair, scooter, skateboard or other forms of micro-mobility. Slow Streets are critical infrastructure that attracts users of the full array of neighborhood demographics—including children, older adults, people with disabilities and people of color.”

Due to the popularity for the program, the city is now evaluating all of the streets in the network, with input from residents, to determine which streets could be made permanent.

Like Los Angeles, San Francisco has developed criteria for its program. Specifically, the street must be a neighborhood residential street with low traffic volumes; have strong support from residents living both on the slow street and overall neighborhood; have an identified local community partner group to support the slow street; be consistent with local plans, including the city’s bike network; and have traffic data evaluation to ensure the slow street does not have a negative impact on the surrounding transportation network. The city also maintains a public website with maps, details, and policies for the program, including opportunities for public feedback.

- 5) *AB 773 keeps Slow Streets going.* AB 773 would authorize local authorities to implement a permanent Slow Streets program to provide for the closure or restriction of vehicular traffic on neighborhood local streets. The streets eligible would provide connections to citywide bicycle networks; destinations, such as business districts; and green space. The local authorities would have to adopt the program by ordinance, with requirements to define the program and facilitate public engagement. Specifically, the locality must determine the closure or restriction is necessary for the safety and protection on the people who are to use that portion of the street, determine that the closure or restriction leaves a sufficient portion of streets in the surrounding area for other public uses, such as vehicular traffic; and clearly designates the streets with state-approved signage.

And to better engage the public, the locality must conduct an outreach and engagement process that at a minimum, includes notification to the residents and owners of property abutting any street being considered for inclusion in the program; provide advance notice of any closure or traffic restriction to residents and owners of abutting streets; maintain a public website with information

about the program, including a list of streets that are in the program or being considered and instructions for participating in the public engagement process.

- 6) *Arguments in support.* According to Los Angeles Mayor Eric Garcetti, the sponsor of the bill, “the City’s program launched in May 2020 and now has more than 50 miles of temporary Slow Streets across 30 neighborhoods. Each Slow Street is a partnership between the City and a local sponsor, with many Slow Streets located in low-income communities with dense housing and poor access to parks. The largest Slow Streets installation is in Koreatown, the densest neighborhood with the lowest park access per capita. Providing Angelenos access to safe spaces for fresh air has been essential to mental and physical health throughout the COVID-19 pandemic and community response to our program has been extremely positive. The Slow Streets installations have been imperative in reducing the spread of COVID-19 and ensuring community well-being.

“Under current law, Slow Streets programs must be temporary. However, due to the overwhelming demand for the installations, a permanent program would allow the City to develop a plan to reach more residents while still prioritizing their safety. Furthermore, the ability to restrict vehicle access, which requires authorization from the California Vehicle Code, would calm neighborhood-level traffic and improve safety. This bill would support our most vulnerable communities at this critical time without any fiscal impact on the State. AB 773 simply provides cities the opportunity to exercise traffic control actions at their discretion and expense.”

RELATED LEGISLATION:

AB 61 (Gabriel, 2021) – Would extend certain COVID-19-related measures for the Department of Alcohol Beverage Control (ABC), to allow licensees to continue to exercise license privileges in an expanded licensed, and permitted food facility to continue to prepare and serve food as a temporary satellite food service without obtaining a separate satellite food service permit, as specified. AB 61 is pending in the Senate Health Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, Wednesday, July 7, 2021.)

SUPPORT:

Activesgv, a Project of Community Partners
City of Los Angeles
City of San Carlos
Destination: Pico
Independent Hospitality Coalition
League of California Cities
Mayor Eric Garcetti, City of Los Angeles
Streets for All

OPPOSITION:

None received

-- END --

SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	AB 796	Hearing Date:	July 13, 2021
Author:	Berman		
Version:	6/30/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Melissa White		

SUBJECT: Voter registration: California New Motor Voter Program

DIGEST: This bill codifies voter registration information transmittal requirements in the federal National Vote Registration Act (NVRA) of 1993, as specified. This bill also codifies into state law various provisions from a legal settlement regarding the transmission of voter registration information, as specified, and requires the Secretary of State (SOS) to establish a taskforce to evaluate the California New Motor Voter Program (CNMVP), as specified.

ANALYSIS:

Existing law:

- 1) Provides that a person is entitled to register to vote who is a United States citizen, a resident of California, not imprisoned for the conviction of a felony, and at least 18 years of age at the time of the next election.
- 2) Permits a person who is at least 16 years old and otherwise meets all voter eligibility requirements to preregister to vote. Provides that the person's voter registration will be deemed effective as soon as the person is 18 years old at the time of the next election.
- 3) Requires the SOS and the California Department of Motor Vehicles (DMV) to establish the CNMVP for the purpose of increasing opportunities for voter registration by any person who is qualified to vote.
- 4) Requires, pursuant to the CNMVP, that each eligible voter be registered or preregistered to vote by default when the individual submits an application for a driver's license or state identification card, or provides the DMV with a change of address, unless the voter specifically declines (i.e. opts-out).
- 5) Provides that the SOS, not the DMV, is solely responsible for determining eligibility for voter registration and voting.

- 6) Requires the DMV, in consultation with the SOS, to establish a schedule and a method to electronically provide to the SOS records of each person who submits an application for a driver's license or identification card or who notifies the DMV of a change of address, as specified.
- 7) Prohibits the DMV from electronically provide records of a person who applies for or is issued a driver's license pursuant to specified provision of law because that person is unable to establish satisfactory proof that the person's presence in the United States is authorized under federal law.
- 8) Provides that the willful, unauthorized disclosure of information obtained from the DMV to any person, or the use of any false representation to obtain any of that information, or the use of any of that information for a purpose other than what is currently permitted by existing law, is a misdemeanor, as specified.
- 9) Requires the SOS to establish procedures to protect the confidentiality of the information acquired from the DMV, as specified, and requires the SOS to account for any disclosures, including those due to security breaches, in accordance with existing law.
- 10) Provides that the records of a person who registers to vote pursuant to the CNMVP shall constitute a completed affidavit of registration and the SOS shall register the person to vote, unless the person's records reflect that person affirmatively declined to become registered to vote during a transaction with the DMV, the person's records do not reflect that person has attested to meeting all voter eligibility requirements, or the SOS otherwise determines that the person is ineligible to vote.
- 11) Provides that if a person who is ineligible to vote becomes registered to vote through the CNMVP in the absence of willful voter registration fraud, that person's registration shall be presumed to have been effected with official authorization and to have not been the fault of that person.
- 12) Provides that if a person who is ineligible to vote becomes registered to vote and votes or attempts to vote in an election held after the effective date of the person's registration, that person shall be presumed to have acted with official authorization and shall not be guilty of fraudulently voting or attempting to vote unless that person willfully votes or attempts to vote knowing that the person is not entitled to vote.
- 13) Requires the SOS to adopt specified regulations to implement the CNMVP.

This bill:

- 1) Defines the following terms, for the purposes of this bill:
 - a) "Completed voter registration" and "completed voter registration application" to mean the part of the driver's license application containing the voter registration application for an applicant who has not affirmatively declined to register to vote, the transmittal of which is not prohibited by existing law, and which includes the minimum information necessary to prevent duplicate voter registrations and preregistrations, to assess the eligibility of the applicant, and to administer voter registration, preregistration, and other procedures for elections.
 - b) "Driver's license application" to mean a driver's license or identification card application, renewal, or notification of a change of address pursuant to existing law.
- 2) Requires the SOS and the DMV to develop and enter into an interagency agreement specifying how the DMV and the SOS will cooperate to fulfill the requirements of the CNMVP. Requires the agreement to be updated as necessary, and requires the current version of the agreement to be published on the internet website of the SOS, except those parts of the agreement for which publication would compromise security.
- 3) Codifies the following transmittal deadlines pursuant to the NVRA in the CNMVP:
 - a) Requires a completed voter registration application included with a driver's license application and accepted at the DMV to be transmitted to the SOS no later than 10 days after the DMV accepts it.
 - b) Requires a completed voter registration application accepted within five days of the last day to register to vote for a federal or statewide election to be transmitted to the SOS no later than five days after the date of acceptance.
- 4) Provides, for the purpose of establishing the DMV's transmittal deadlines required by the provisions of this bill and existing federal law, that the completed voter registration application included with the driver's license application shall be deemed accepted on the date the completed voter registration application arrives at the DMV, whether by mail, in person, electronically, or otherwise.

- 5) Requires the DMV to accept and transmit a completed voter registration application included with a driver's license application even if, pursuant to existing law, the driver's license application is incomplete or the driver's license or identification card associated with the voter who submitted the voter registration application is inactive due to a failure to pay fees, or any other reason that is unrelated to an elections official's ability to prevent duplicate voter registrations or preregistrations, to assess the eligibility of the applicant, or to administer voter registration, preregistration, and other elections procedures.
- 6) Requires the DMV, if a completed voter registration application has not been, or is not expected to be, provided to the SOS according to the deadlines established by this bill, to do both of the following within 10 days of discovering the delay:
 - a) Notify the applicant that the voter registration information provided during the applicant's recent transaction at the DMV was not processed in a timely manner.
 - b) Provide the applicant with a voter registration application and information about how to register to vote or to update the applicant's voter registration online.
- 7) Requires the DMV, notwithstanding the delay and notification to the applicant, to attempt to provide the SOS the information of each person who submits a driver's license application pursuant to existing law.
- 8) Codifies provisions of the NVRA that requires every driver's license application to include a voter registration application and requires all of the following apply to the voter registration application included with the driver's license application:
 - a) The voter registration application shall require only the minimum information necessary to prevent duplicate voter registrations and to enable the SOS to assess the eligibility of the applicant and to administer voter registration and other procedures for elections.
 - b) The voter registration application shall not require any information that duplicates information required for the driver's license application, other than an additional signature or other information required on the voter registration application.

- c) The voter registration application shall include all of the following:
 - i) A statement of the voter eligibility requirements, including those regarding citizenship.
 - ii) An attestation that the applicant meets each voter eligibility requirement.
 - iii) The signature of the applicant, under penalty of perjury.
 - iv) An opportunity to decline to register to vote.
- 9) Requires a voter who attests to the voter's eligibility to be registered to vote unless the voter affirmatively declines to register to vote.
- 10) Requires the DMV to designate an employee, known as the DMV's NVRA coordinator, to be responsible for the DMV's compliance with the requirements of this bill and the requirements of existing federal law. Requires the responsibilities of the DMV's NVRA coordinator to include, but not be limited to, all of the following:
 - a) Ensuring the accurate processing and timely transmission of voter registration applications submitted to the DMV.
 - b) Ensuring employees are trained pursuant to the provisions of this bill.
 - c) Coordinating with the SOS's NVRA coordinator to ensure the DMV's compliance with provisions of this bill and with existing federal law.
 - d) Ensuring that the interagency agreement required by this bill is updated as necessary.
 - e) Preparing monthly reports pursuant to the provisions of this bill.
 - f) Notifying the SOS within three days of identifying any violations of this bill or federal law.
 - g) Assisting with the preparation of the annual report required by this bill.
- 11) Requires the SOS to appoint an employee, known as the SOS's NVRA coordinator, to be responsible for the SOS's compliance with the requirements of this bill and the requirements of existing federal law. Requires the

responsibilities of the SOS's NVRA coordinator to include, but not be limited to, all of the following:

- a) Monitoring voter registration records received from the DMV and identifying untimely registrations or other irregularities.
 - b) Ensuring the accurate processing and timely transmission of voter registration applications received from the DMV.
 - c) Ensuring employees are trained pursuant to this bill.
 - d) Coordinating with the DMV's NVRA coordinator to ensure the SOS's compliance with this bill and with federal law.
 - e) Ensuring the interagency agreement required by this bill is updated as necessary.
 - f) Publishing the monthly reports required by this bill on the SOS's internet website.
 - g) Preparing the annual report required by this bill.
- 12) Requires the DMV's NVRA coordinator to ensure that each employee of the DMV who interacts with the CNMVP receives training on the requirements of this bill and the federal NVRA as part of an initial new employee orientation, and annually thereafter. Requires the training to include, but not be limited to, instructing employees regarding processing voter information submitted to the DMV, acceptance rules, transmission deadlines, and procedures for identifying and reporting errors or delays.
- 13) Requires the SOS's NVRA coordinator to ensure that each employee of the SOS responsible for the receipt and processing of voter registration information from the DMV receives training on the requirements of this bill and the federal NVRA as part of an initial new employee orientation, and annually thereafter. Requires the training to include, but not be limited to, instructing employees regarding procedures for the regular monitoring of the timeliness of the receipt of registration data from DMV transactions and the protocol for reporting and addressing problems with the timeliness and quality of the voter registration data received from the DMV.
- 14) Requires the DMV, in consultation with the SOS, to monitor the timeliness of the DMV's transmittals to the SOS pursuant to this bill. Requires the DMV,

by the 10th day of each calendar month, to provide to the SOS, in a manner and method to be determined by the DMV in consultation with the SOS, all of the following information concerning voter registration from the preceding month:

- a) The number of completed voter registration applications transmitted to the SOS after the deadlines specified in this bill, if any.
 - b) The number of notices sent pursuant to provisions of this bill.
 - c) The reasons for any irregularities in the processing of records specified in this bill or in the transmittal of any completed voter registration applications after the deadlines pursuant to this bill.
- 15) Requires the SOS, within 10 days of receipt, to publish information on the number of notices sent pursuant to this bill on its internet website.
- 16) Requires the SOS to establish a taskforce that includes all of the following members:
- a) The SOS's NVRA coordinator.
 - b) The DMV's NVRA coordinator.
 - c) County elections officials.
 - d) Individuals with demonstrated language accessibility experience for languages covered under the federal Voting Rights Act of 1965.
 - e) Representatives of the disability community and community organizations and individuals that advocate on behalf of, or provide services to, individuals with disabilities.
 - f) Experts with demonstrated experience in the field of elections.
 - g) Experts with demonstrated experience in the field of civic design.
- 17) Requires the SOS to convene the taskforce for meetings at least quarterly.
- 18) Requires the taskforce to consult with the SOS and the DMV on the development of the annual review required by this bill. Requires the taskforce to advise the SOS and the DMV on the effective implementation of the CNMVP.

- 19) Provides that the taskforce provisions will remain in effect only until January 1, 2025, and as of that date are repealed.
- 20) Requires the SOS, in consultation with the DMV and the taskforce required by this bill, to review the effectiveness of the CNMVP annually, and to draft a written report. Requires the written report to, at a minimum, include all of the following:
 - a) Information about trends of voters registering through the CNMVP.
 - b) An analysis of the timeliness of the DMV's transmittals to the SOS pursuant to this bill for the preceding year.
 - c) A summary of any significant errors or delays during the preceding year with respect to processing or transmitting the records specified by this bill, and how those incidents were resolved.
- 21) Makes technical and corresponding changes.

COMMENTS:

- 1) *Purpose.* According to the author, "the National Voter Registration Act and California's New Motor Voter program have been instrumental in closing voter registration gaps by making it easier for eligible voters to register or update their registration when completing a driver's license and state identification card transaction. By improving the accuracy of millions of voters' mailing addresses and reducing reliance on in-person same day voter registration, these programs played a crucial role this year in increasing access to vote-by-mail and helped ensure that voters didn't have to choose between their health and their right to vote during the coronavirus pandemic. AB 796 will ensure that the progress made under our New Motor Voter program will continue, assist the more than 3 million eligible but unregistered Californians to register to vote, and keep California's voter rolls accurate and up to date."
- 2) *National Voter Registration Act.* In 1993, the federal government enacted the NVRA, commonly referred to as the "motor voter" law or Motor Voter, to make it easier for Americans to register to vote and maintain their registration. Among other provisions in the NVRA, the DMV provides customers the opportunity to register to vote when completing an application for a driver's license or an identification card, when renewing a driver's license or an identification card, or when a change of address transaction takes place.

Despite being commonly referred to as “motor voter,” the NVRA also requires states to designate other agencies as “voter registration agencies” and provides an opportunity to register to vote for individuals interacting with the specified agencies. This includes offices that provide public assistance and offices that provide services to individuals with disabilities. In California, the Governor is also able to designate additional voter registration agencies.

- 3) *California New Motor Voter Program.* In 2015, the Legislature passed and Governor Brown signed AB 1461 (Gonzalez, Chapter 729, Statutes of 2015), which provides that every person who submits an application for a driver's license or state identification card, or provides the DMV with a change of address, and who attests that they meet all voter eligibility requirements, is automatically registered to vote, unless that person opts out.

Specifically, the DMV, in consultation with the SOS, is required to establish a schedule and method for the DMV to electronically provide to the SOS the records of each person who submits an application for a driver's license or state identification card, or provides the DMV with a change of address. The transmission of an individual's record from the DMV to the SOS constitutes a completed affidavit of voter registration unless the person affirmatively declines to register or preregister to vote at the DMV, the person does not attest to meeting all voter eligibility requirements while at the DMV, or the SOS determines that the person is not eligible to register to vote.

The DMV is also prohibited from electronically providing the records of a person who is issued a driver's license pursuant to specified provisions of law because that person is unable to establish satisfactory proof that their presence in the United States is authorized under federal law.

In April 2018, California officially launched the CNMVP.

- 4) *Issues at the DMV with the launch of Motor Voter.* Since the launch of the CNMVP, the DMV faced a number of challenges related to transactions and voter registration. In May 2018, a software error potentially affected approximately 77,000 voter records generated at the DMV. According to news reports, this error resulted in two registration forms for a single voter. In response, county elections officials contacted potentially affected voters and the software error was fixed.

In September 2018, the DMV reported 23,000 registration errors that stemmed from DMV technicians working with multiple screens and registration

information being improperly merged. According to the DMV, 4,600 individuals did not complete a voter registration affidavit, but had their information sent to the SOS. The DMV also indicated that none of the applicants were undocumented immigrants. In response, the DMV sent the 23,000 customers a letter notifying them of the problem and the SOS cancelled the 4,600 registrations that it received.

In October 2018, the DMV sent the SOS a letter indicating that 1,500 customers may have been registered to vote in error when DMV technicians processed customer requests at field offices to change voter eligibility responses on driver's license applications. The DMV indicated that none of the processing errors were the fault of the customer and none were undocumented immigrants.

- 5) *Responses to Issues at the DMV.* In response to the issues related to the DMV, in September 2018, Governor Brown directed the Department of Finance to conduct a performance audit of the DMV's information technology and customer service functions. That audit did not include an assessment of any activities related to the NMV program. To complement the performance audit, DOF contracted for an independent technical assessment of the NMV program by Ernst and Young, LLP that included fieldwork at both the DMV and the SOS offices and technical assessments, including a review of file transfers that resulted from administrative processing errors.

Many of the recommendations from the Ernst and Young report mirror those identified in the DOF's audit report and the DMV has already addressed or was in the process of addressing the recommendations. Some of these processes included maintaining a Quality Assurance process to ensure the timely release of records to SOS, ensuring legal and compliance resources were assigned to the program, and establishing data governance policies including data retention and data sharing. Moreover, the assessment found that when there were differences in data transfer, those differences were expected and did not jeopardize voter registration through the California NMV program.

Additionally, the DMV and the SOS formed a workgroup to address ongoing voter registration record collection, processing and delivery activities. The workgroup proactively collaborated to improve the voter registration program and met weekly to discuss production-related questions, issues, customer records, and any other stakeholder concerns.

- 6) *Lawsuits and Extended Settlement Agreements.* Despite early positive results from the CNMVP, there continued to be challenges with modernizing the voter registration process at the DMV and with bringing California in compliance

with the NVRA. Consequently, a lawsuit was filed by the League of Women Voters, which was settled in 2018. The settlement agreement initially remained in effect for an eight-month period, which began on April 30, 2018, and included the following terms:

- Ensure the driver's license renewal-by-mail (RBM) serves as an application for voter registration, and does not require individuals to provide information for voter registration purposes that duplicates the information already provided on the renewal form or that is otherwise in the DMV's possession;
- Develop, procure, and launch any technology and hardware needed to scan and transmit to the SOS all the information required by CNMVP;
- Ensure the voter registration information is transmitted, pursuant to the NVRA, to the SOS not later than 10 days after the date it is received by DMV; and,
- Require the SOS to provide monthly NVRA reports posted on its website, as specified.

According to court documents, however, violations of the initial settlement agreement led to registration delays for thousands of voters. Specifically, court documents state the DMV failed to transmit complete voter registration applications received with RBM forms to the SOS within the time period required by the settlement agreement, and the DMV did not accept and timely transmit complete voter registration information received as part of an RBM application unless the application also included the correct payment of the fees for the driver's license or identification card. Consequently, the settlement agreement was updated in February 2019 and extended to 2020 and new terms were added, including the following:

- Investigate the scope and cause of delays in transmitting voter registration information from the DMV to the SOS, as specified.
- Require the SOS to send a letter to all persons whose voter registration records were affected by delays in the transmittal of voter registration information, as specified.
- Require the DMV and SOS to provide plaintiffs with monthly data showing the processing times for voter registration applications transmitted to the SOS from the DMV and a monthly written report

describing any delayed voter registration transmissions, along with the DMV's and SOS's plan to address those delays;

- Require the DMV and the SOS to provide training to their employees on the NVRA's requirements for timely transmission of voter registration applications;
- Require the DMV and SOS to appoint management-level NVRA Coordinators to monitor their respective compliance with the NVRA; and,
- Require the SOS to update the NVRA Manual, as specified.

Earlier this year, the settlement agreement was extended again and will expire in early 2022.

7) *AB 796 codifies many provisions of the settlement agreement.* The author and sponsors contend that the settlement terms have been instrumental in identifying and addressing non-compliance with the NVRA and improving the functionality of the CNMVP. Moreover, the oversight mechanisms created by the settlement agreement have allowed the DMV, SOS, and civil rights organizations to work together to identify and resolve systemic issues that were delaying the transmission of voter registration applications. AB 796 codifies many of the provisions of the settlement agreement that will expire in early 2022. Additionally, the bill places timelines on the DMV to send over voter registration to SOS.

Since 2018, the CNMVP has contributed to a rise of registered voters in California. According to the most recent report of registration from the SOS, there are 22,154,304 registered voters in California out of 25,166,581 Californians who are eligible to register to vote, meaning that approximately 88.03% of eligible Californians are registered to vote. To compare, in January 2018, there were 18,980,481 registered voters or about 75.69%.

8) *Arguments in support.* Writing as the sponsors of the bill, ACLU California Action, California Common Cause, and the League of Women Voters state, "the California Motor Voter program has narrowed voter registration gaps by making it easier for eligible voters to register or update their registration at the DMV. With almost 88 percent of eligible Californians registered to vote before the November 2020 General Election – the highest percentage in the past 80 years⁵ – it's clear that this program has dramatically improved voter accessibility in California. Further, by improving the accuracy of millions of

voters' mailing addresses and reducing reliance on in-person same day voter registration, the Motor Voter program plays a crucial role in increasing access to vote-by-mail. With 15 existing Voter's Choice Act (VCA) counties in California and more counties considering adopting VCA, maintaining the accuracy of our voter rolls becomes increasingly important as more Californians can expect to receive their ballot by mail.

Despite the accomplishments of the Motor Voter program, more must be done to secure the gains achieved through the Settlement and further improve the efficiency, fairness, and security of DMV's voter registration system. Continued voter participation gaps in California mean that critical issues of local and statewide importance are being made by a predominantly whiter, older, and wealthier electorate that does not represent what this state truly looks like. While registration rates are increasing overall, we still have 3 million eligible, unregistered Californians – a disproportionate number of whom are youth, people with disabilities, Black, Latinx, Native, Indigenous, and people of color, those with limited English proficiency, or have low income.”

- 9) *Double Referral*. AB 796 was double referred to the Senate Elections and Constitutional Amendments Committee and approved by a vote of 4-1 on June 28, 2021.

RELATED LEGISLATION:

SB 583 (Newman, 2021) — Would create a back-end automated voter registration system for registering voters via the CNMVP at the DMV.

AB 1137 (Mullin, 2021) — Would require the SOS to provide a report to the Legislature regarding the process and infrastructure of existing voter registration agencies, as specified.

SB 57 (Bates, 2020) — Would have changed the CNMVP from an opt-out to an opt-in program. SB 57 failed passage in the Senate Elections and Constitutional Amendments Committee.

SB 511 (Moorlach, 2019) — Would have required the establishment of a committee including representatives of the SOS, DMV, and counties, for the purpose of facilitating the sharing of information necessary to implement CNMVP. SB 511 failed passage in this committee.

AB 1461 (Gonzalez, Chapter 729, Statutes, 2015) — Provided for every person who has a driver's license or state identification card and who is eligible to register

to vote to be automatically registered to vote at the DMV, unless that person opts out. A prior version of AB 1461 included a back-end registration model similar to SB 583. However, the bill was amended to the front-end opt-out system that was subsequently chaptered.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, July 7, 2021.)

SUPPORT:

American Civil Liberties Union California Action (ACLU) (co-sponsor)
California Common Cause (co-sponsor)
League of Women Voters of California (co-sponsor)
Anti-Recidivism Coalition
Asian Americans Advancing Justice - California
Black Women Organized for Political Action (BWOPA)
Brennan Center for Justice at NYU School of Law
California Association of Nonprofits
California Federation of Teachers AFT, AFL-CIO
California League of Conservation Voters
California League of United Latin American Citizens
Courage California
Disability Rights California
DSA Coachella Valley Chapter
Inland Equity Partnership
Los Angeles LGBT Center
National Council of Jewish Women-California
National Council of Jewish Women Los Angeles
Silicon Valley Community Foundation

OPPOSITION:

None received

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- 2) Requires ARB to determine the 1990 statewide greenhouse gas (GHG) emissions level, and achieve that same level by 2020 (AB 32), and achieve a 40% reduction from that level by 2030 (SB 32).
- 3) Requires MPOs to prepare and adopt regional plans that, with specifications, achieve a coordinated and balanced regional transportation system.
- 4) Requires, and establishes a process, for ARB to provide MPOs with GHG emissions reductions targets, and update those targets every eight years.
- 5) Requires, as a part of the Regional Transportation Plan (RTP) a Sustainable Communities Strategy (SCS), as specified, to be prepared by each MPO, to identify transportation, housing, and land use measures and policies that will reduce GHG emissions.
- 6) Allows, if the SCS is unable to reduce GHG emissions to achieve the GHG emission reduction targets established by ARB, the MPO to instead prepare an Alternative Planning Strategy (APS) to the SCS showing how those GHG emission reduction targets would be achieved through alternative development patterns, infrastructure, or additional measures or policies.
- 7) Declares that neither a SCS nor APS regulates the use of land, and that nothing in a SCS shall be interpreted as superseding the exercise of the land use authority of cities and counties within the region.
- 8) Requires, by September 1, 2018 and every four years thereafter, ARB to report to the Legislature on MPOs' progress towards meeting their GHG emission reduction targets in their SCS, including changes to emissions, metrics that support the strategies being used, a discussion of best practices, and an identification of challenges.
- 9) Requires the California Department of Transportation (Caltrans) to produce, and update every five years, the California Transportation Plan (CTP), a long-range transportation planning document intended to integrate state and regional transportation planning while considering specified pertinent subject areas.
- 10) Establishes the Strategic Growth Council (SGC) to coordinate a variety of state programs and activities related to sustainable communities and the environment.

- 11) Requires, Caltrans to update the CTP, as specified, and requires SGC, by January 31, 2022, to submit a report to the Legislature on interactions of the CTP and SCS/APS plans, and a review of the potential impacts and opportunities for coordination between specified programs.
- 12) Establishes the Office of Planning and Research (OPR) to serve the Governor and Cabinet as staff for long-range planning and research, constituting the comprehensive state planning agency, with a focus on factors influencing the quality of the state's environment.
- 13) Requires a minimum of 25% of Greenhouse Gas Reduction Fund (GGRF) moneys to be spent on projects benefiting disadvantaged communities (DACs), as defined to mean the top 25% scoring census tracts on CalEnviroScreen 3.0, as well as an additional 22 tracts with high pollution burdens but otherwise unreliable socioeconomic or health data.

This bill:

SGC Report

- 1) Expands existing SGC report regarding the CTP and RTP/SCS to:
 - a) Discuss and analyze the differences between the CTP and SCSs/APSs, as specified;
 - b) Describe state agencies', MPOs', regional transportation planning agencies' (RTPA)s, and local governments' assessment of barriers to achieving GHG emission reduction targets and the reduction of VMT related to the CTP, SCSs, and APSs; and
 - c) Make recommendations for actions at the state, regional, and local levels to achieve state and regional GHG emission reduction targets and the reduction of VMT related to the CTP, SCSs, and APSs, including the necessary resources and tools still needed.
- 2) Delays the deadline for the SGC report by one year to January 1, 2023
- 3) Requires SGC to convene key state agencies, MPOs, RTPAs, and local governments to assist them in completing the report.

ARB Report

- 4) Expands existing ARB status report on RTP/SCSs by requiring:
 - a) Report on progress made on relevant recommendations for SCS implementation from the report prepared by SGC.
 - b) Report on the difference, if any, between GHG emission reduction targets and the total needed reduction identified in the most recent Scoping Plan, and identification of public entities that could make contributions to achieving those reductions, and an assessment of the progress toward achieving those reductions.
 - c) The California Transportation Commission (CTC) and MPOs to submit data on how the state's and each MPOs transportation funds have been spent since the most recent report, including the amount of transportation funding committed and spent for each transportation mode and the correlation between transportation spending and any increase or decrease in VMT.
 - d) Requiring ARB, in consultation with CTC and MPOs, to identify relevant data that is available upon request and publish a list of that data prior to requesting it. ARB will make the data available on its website.

RTP/SCS

- 5) Requires MPOs to expand outreach efforts to include DACs and low-income households in the public participation plan for SCS.
- 6) Deletes the declaration that nothing in the RTP/SCS statute shall require a city's or county's land use policies and regulations, including its general plan, to be consistent with the RTP/SCS or an APS.
- 7) Requires the SCS to, if prepared after approval of a 2035 Target Action Plan (TAP), as required to be eligible for funding from the newly created SCS Block Grant program, to incorporate and be consistent with, to the extent feasible, the TAP.
- 8) Requires MPOs to include projects that directly support low-income households and communities in financial element of the RTP.

- 9) Permits an MPO that reasonably concludes a local agency's land use decisions and transportation projects are interfering with the region's achievement of GHG emission reduction goals to have a consultation with that local agency to discuss authorized actions that can be taken to assist in meeting those targets. Requires the consultation to occur no later than 30 days after the MPO's request. Requires MPOs to make the information available, including a summary of the consultation, on its website.
- 10) Directs each city, county, or city and county within a region to, within one year of ARB accepting a region's SCS, report to its MPO the actions they have taken that implement its region's SCS, or APS, and further the achievement of the region's GHG emission reduction targets. This report includes:
 - a) A description of the applicable actions including land use decisions, zoning ordinances, and transportation projects that the local agency has taken that implement and are consistent with its region's SCS or APS.
 - b) Identification of barriers to further implementation of its region's SCS or APS and to achieving the region's GHG emissions reduction targets.
- 11) Requires MPOs to establish guidelines for the report and the report be available on the local agencies' website.
- 12) Declares that this report does not affect the land use authority of a city, county, or city and county or require amendments to a general plan.

SCS Block Grant Program

- 13) Creates the Sustainable Communities Strategy Block Grant Program (Block Grant Program), to be administered by SGC, in collaboration with ARB and the Department of Housing and Community Development (HCD), to provide planning grants and block grants, upon appropriation by the Legislature, to each MPO with an approved 2035 TAP in order to support efforts to reduce VMT, advance equity, and meet regional GHG emission reduction targets.
- 14) Requires SGC, ARB, and HCD to develop guidelines for the Block Grant Program, including:
 - a) Developing a review and approval process for 2035 TAPs;

- b) Prioritization for MPOs to assist in identifying and developing projects with significant and transformative emissions reduction benefits that are not yet ready to begin construction;
 - c) Prioritization for funding projects that will advance equity by investing directly into projects that have been identified by historically underserved and low-income communities, including rural communities and unincorporated areas;
 - d) Identifying measures that improve equity in block grant expenditures for projects that include one or more of the following: air pollution reduction benefits, public health benefits, job-housing fit benefits, and anti-displacement benefits.
 - e) Ensuring the Block Grant Program will assist in 2035 TAP implementation.
 - f) Consideration of comments from local governments, MPOs, or other stakeholders.
 - g) Outreach to DAC and historically underserved communities to encourage comment on draft guidelines.
 - h) Ensuring that only a city, county, or city and county that has made land use and transportation investment decisions consistent with its region's SCS or APS is eligible for funding from Block Grant Program.
 - i) Reporting requirements for each block grant recipient to evaluate project outcomes.
 - j) Posting the guidelines, and an allocation schedule, on SGC's website.
- 15) Authorizes an MPO to request a planning grant in advance of submitting its 2035 TAP for the preparation of its 2035 TAP;
- 16) Requires SGC to set aside up to 5% of the appropriation each for both program administration and MPO planning grants.
- 17) Requires SGC to establish a proposed formula for how the block grant shall be distributed within 30 days of receiving the appropriation.

18) Requires an MPO to have a 2035 TAP, approved by SGC, ARB, and HCD, in order to be eligible for the Block Grant Program.

19) Requires the 2035 TAP to include:

- a) Identification of elements of that MPO's latest SCS that need modification or acceleration to achieve 2035 regional GHG emission reduction targets.
- b) A summary of feedback from DACs related to the 2035 TAP, and how that feedback is being addressed.
- c) Identification of measures to improve equity in meeting GHG emission reduction goals, including air pollution reduction, public health, job-housing fit, and anti-displacement benefits.
- d) Identification of significant local land use decisions and transportation projects that interfere with the region's GHG emission reduction targets by conflicting or obstructing implementation of the region's SCS or APS, including zoning or other ordinances.
- e) Designation of high-priority investment areas that will result in infill, transit-oriented, or walkable development or will otherwise significantly contribute to achieving 2035 GHG emission reduction goals.
- f) Corrective actions and a timeline to get the MPO on track to meet its GHG emission reduction target for 2035, including a list of transformative projects that need additional federal or state funding.
- g) A proposed expenditure plan for block grant funds based on the formula developed by SGC.

20) Declares that the 2035 TAP is not a project under CEQA.

15 Minute Community

21) Defines "15-minute community" to mean an area where every resident has access, via at most a 15 minute bike or public transit ride, to specified services, and directs OPR to develop, in consultation with HCD, CTC, and SGC a guidance document, before January 1, 2023, to provide best practices for establishing 15-minute communities.

Bicycle Highways

- 22) Requires Caltrans, by January 1, 2023, to submit a proposal to the CTC for a pilot program to develop bicycle highways, including the selection of sites establishing a branded networks that are numbered and signed within two major metro areas in different regions of the state.
- 23) Requires the pilot to restrict the use of the network to bicyclists, and ensure it contains intermittent entrances and exits, serves trips of five miles or more, and supports higher speed travel of up to 25 miles per hour.
- 24) Requires Caltrans to select sites based on regional support, connectivity to other bike routes, and potential to maximize active transportation benefits.
- 25) Requires Caltrans to submit the proposal, including selected sites, to the CTC for review and comment, including making recommendations for potential funding sources.
- 26) Requires Caltrans to report, by July 1, 2026, to the relevant policy committees of the Legislature on the status of that pilot project and additional recommendations for further bicycle highway networks.

BACKGROUND:

- 1) *Regional Transportation Plans (RTP)s.* All of California's MPOs and RTPAs are required by federal and state law to conduct long range planning to set forth a clearly identified defined vision and goals for transportation in the region and to ensure effective decision making to further the vision and goals. California currently has 18 federally-designated MPOs and 26 state-created RTPAs. The long range plan, known as the RTP, is an important policy document that is based on the unique needs and characteristics of a region and communicates the regional vision to the state and federal government. The RTP considers a minimum 20-year horizon and should be integrated with local jurisdiction's land use plans. MPOs and RTPAs are required to update the RTP every four or five years, depending on a region's clean air attainment.

The RTP should represent a coordinated and balanced regional transportation system including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement and aviation. The CTC develops guidelines that govern the content and requirements for the RTP so that it conforms with both federal and state law. The most recent RTP Guidelines 2017 include updates such as following state climate change

mitigation/adaptation guidance, considering environmental justice issues, and updating travel demand models. RTPs are financially constrained policy guidance frameworks.

- 2) *Sustainable Communities Strategies (SCS)s*. As a part of the strategy to meet the state's climate goals and focus on the transportation sector, the Legislature passed and Governor Schwarzenegger signed into law, SB 375 (Steinberg, Chapter 728, Statutes of 2008). SB 375 aligns transportation planning, land use and housing to reshape development in communities. SB 375 authorizes ARB to set GHG emissions reduction targets for each of the state's 18 MPO regions. The MPOs work with ARB, exchanging technical data, to set the targets, including recommending a target for their region.

MPOs are required to adopt an SCS as part of their RTP to demonstrate how their region will meet the target. The SCS sets forth a vision for growth in the region taking into account its transportation, housing, environmental, and economic needs. The SCS should set a development pattern for the region, which when integrated with the transportation network, will reduce GHG emissions from automobiles and light trucks to achieve the targets. If an MPO, through the development of an SCS, determines they will not be able to reach the target, the MPO may develop an alternative planning strategy (APS) that identifies the principal impediments to meeting the targets. MPOs do not have authority to directly regulate land use.

Extensive public outreach for the development and approval of an RTP/SCS is required, with workshops, public hearings and meetings with affected city and county officials. MPOs must also complete an environmental impact report (EIR) for the RTP/SCS, as required by the California Environmental Quality Act (CEQA).

The intent of SB 375 was to empower regions to develop innovative strategies as part of their SCS to meet their target. While there are requirements for information the SCS must contain including identifying areas for future development and housing, information on resources and farmland, and integrating development with the transportation network, it does not currently prescribe any one strategy for achieving the targets.

- 3) *ARB target setting Round 2*. In an update to the SB 375 targets originally set in 2010, ARB staff proposed new targets for 2020 and 2035, which were approved in 2018. These more stringent targets again varied by MPO, but still represented a compromise between what the MPOs believed possible, and what ARB deemed necessary to achieve SB 32 targets. Specifically, the original 2010

targets would cumulatively contribute a 13% reduction in GHG emissions, and the updated targets would get to 19%. According to the 2017 Scoping Plan update, this overall reduction needs to be 25%, well above even the increased targets.

- 4) *SCS Progress Report*. SB 150 (Allen, Chapter 646, Statutes of 2017), requires ARB to report to the Legislature on the progress of SB 375 implementation every four years. The 2018 report found that GHG emission reductions under SB 375 are not being achieved and that VMT per capita is not declining despite every MPO preparing an SCS as required. This may suggest that SCS plans are not being implemented as envisioned and/or are not yielding the expected results. Such factors as state or local funding can be a major reason. The findings in the report are based on statewide total GHG emissions and VMT data, rather than by region, due to data gaps, so it is difficult to see how each region is performing.

Specifically, the report found that portion of people driving alone to work rose or stayed the same, and overall transportation spending planned by mode remained nearly the same. ARB also noted that lack of affordable housing is contributing to lengthening commutes. Overall, ARB found that, “structural changes and additional work by all levels of government are still necessary to achieve state climate goals and other expected benefits.”

- 5) *SB 375 emissions gap*. Placing the lack of progress in VMT reductions solely on SCS implementation is a point of contention for regions that say that many VMT reduction strategies fall outside the authority of MPOs. According to the California Association of Councils of Governments, “CARB’s Scoping Plan calls for a 25% decrease in GHG emissions (per capita) from reduced use of cars and light trucks. [Regional] strategies to meet the 2010 regional targets address 13% of these reductions. [Regional] strategies to meet the 2018 targets account for another 5%. That leaves 7% in state-initiated VMT reduction strategies unaddressed.”
- 6) *CTP 2050*. Approved in February of 2021, the latest update of the California Transportation Plan, CTP 2050, is the state’s statutorily fiscally unconstrained long-range transportation roadmap for policy change. CTP 2050 is designed to provide a unifying and foundational policy framework for making effective, transparent, and transformational transportation decisions in California and identify a timeline, roles, and responsibilities for each plan recommendation. The CTP does not contain specific projects, but rather policies and strategies to close the gap between what RTPs aim to achieve and how much more is required to meet 2050 goals.

7) *Active Transportation in California.* Active Transportation is on the rise in California. According to the above mentioned CTP 2050, “in the months following the outbreak of COVID-19, more Americans embraced active travel. California cities that typically have low bicycle ridership, such as Riverside and Oxnard, experienced a 90% to 125% increase in bicycle miles traveled. Stockton, Bakersfield, Fresno, Sacramento, and San Diego also experienced increases of more than 50%. Trends suggest that travelers shifted from transit to active travel when risks increased. In San Francisco, many residents who needed to make essential trips opted to walk or bike. Recreational biking and walking have also skyrocketed. The Rails-to-Trails Conservancy observed a 110% increase in trail use compared to the same period in 2019.”

Looking back, pre-COVID, at official travel data included in the CTP 2050, “in 2015, Californians took more than 13 million trips by biking or walking, making up nearly eight percent of total travel. Commuting by active modes has been slowly increasing since 2006, with about four percent of commuters now biking or walking to work. The rapid expansion of bike sharing programs starting in 2010 has contributed to the increase by providing residents with flexible, low-cost access to biking. E-bikes, which require less effort than a traditional bicycle and provide more range, are also contributing to growth. U.S. e-bike sales grew by 90 percent in the first quarter of 2019 compared to the previous year.”

Looking to the future, the CTP 2050 estimates that bicycle and pedestrian travel could increase by 45% by 2050. The Plan goes on to note that this increase only represents a half percent mode shift away from auto use, and that, “if we are to achieve our climate goals and improve public health and quality of life in California communities, we must do more to make active transportation a viable and competitive mode of transportation.”

To that end, the state is making significant investments in bicycling and pedestrian infrastructure through the Active Transportation Program (ATP) administered by the CTC. Furthermore, state and local jurisdictions are putting local dollars into building “complete streets” with bikeways and pedestrian facilities.

With the passage of SB 1 (Beall, Chapter 5, Statutes of 2017), funding for the ATP program nearly doubled, to \$200 million annually, as did funding for local streets and roads and state highways, with complete street elements eligible for all funds. The 2021-22 state budget recently passed by the Legislature included \$500 million in additional funding for the ATP program, recognizing that

program is greatly oversubscribed. In fact, ATP has a nearly \$2 billion backlog of projects, with just 11% of applications funded in the latest cycle.

Additionally, in June 2020, Caltrans adopted an Action Plan to increase biking and walking, stating, “expanding these transportation opportunities reduces dependence on driving, promotes safety and emphasizes social equity by reconnecting communities that have been divided by freeways and high-speed roads.” Specifically, as part of the recently adopted 2020 State Highway Operation and Protection Program (SHOPP), the department committed significant funding to integrating bicycle and pedestrian improvements into the State Highway System. More than 40% of the nearly 900 SHOPP projects include complete street investments, with an additional \$100 million in funds explicitly allocated to expand bicycle and pedestrian access.

COMMENTS:

- 1) *Purpose.* According to the author, “AB 1147 takes a multifaceted approach to set California on the course to meet its GHG emission reduction targets expected under SB 375 by making changes at the state, local, and regional levels to provide tools, accountability, and incentives for MPOs to meet their 2035 regional GHG emission target. AB 1147 requires each MPO to create a 2035 Target Action Plan, develops a new block grant program to ensure MPOs achieve their 2035 goals, and requires local governments to make a good faith effort to take actions that support their MPO’s SCS.

“Active transportation must play a vital role in California's goal to reduce GHG and VMT. Walking and bicycling also have many positive benefits associated with public health, strong local economies, and sustainable and equitable development. AB 1147 assists in the development of transformative active transportation projects that other cities and countries have embraced, but have not been done in California, such as bicycle highways and 15 minute cities. AB 1147 will improve the sustainability and quality of California’s communities.”

- 2) *More reporting could lead to more solutions.* The author’s 2019 bill, AB 285 (Friedman, Chapter 605, Statutes of 2019), focused on better linking the state’s climate goals with the long-range vision of the state’s transportation plan. Specifically, AB 285 stated that, “subsequent transportation plans improve transparency, interagency coordination, and the impact of California’s transportation investments and planning to meet the objectives set forth in this section.” The bill, in part, sought to accomplish this by tasking SGC with completing a report that would compare the options for California’s transportation future as envisioned by the CTP, as well as MPOs’ SCSs.

The AB 285 report focused on an overview of the CTP and all SCSs, particularly how they influence the configuration of the statewide integrated multimodal transportation system. It also called for a review of the potential impacts and opportunities for coordination of specified funding programs.

AB 1147 delays the deadline for the SGC report by one year and adds some elements to it. Specifically, the report would also include: 1) a discussion and analysis of the differences between the CTP and the regions' SCSs, including how fiscal constraints and fiscal eligibility could affect implementation; 2) a description of identified barriers to achievement of the state and regional GHG emissions reduction targets and reduction of VMT; and 3) recommendations for actions at the state, regional, and local level that could be taken to achieve state and regional GHG emission reduction goals and reduction of VMT, including necessary resources and tools. The bill also requires SGC to convene key state agencies, MPOs, RTPAs, and local governments to assist in completing the report.

The AB 285 report has some overlap with ARB's SB 150 report. As mentioned, the SB 150 report is largely a progress report on MPOs meeting their GHG reduction targets set by ARB. The report was also directed to include data-supported metrics for the strategies utilized to meet the targets and a discussion of best practices.

AB 1147 also adds additional elements to this report and links the two reports together. Specifically, ARB will report on progress made on recommendations from the AB 285 report. Additionally, to help deal with the SB 375 emission gap discussed earlier, the report will include the difference between GHG emission reduction targets and the total needed reduction identified in the Scoping Plan. ARB would also identify public entities that could make contributions toward achieving those reductions; and develop an assessment of progress made, and how that progress is assisting MPOs in achieving their targets.

Finally, focusing attention on the allocation of state and local transportation spending, the bill would require CTC and each MPO to submit data to ARB that details how transportation funds have been spent, including the amount of funding committed and spent on each transportation mode and the correlation between spending and any increase or decrease in VMT. However, this will likely not present the full picture of what is going on with transportation spending. CTC data would not include all federal and state transportation funding, including funds that are allocated directly to transit operators or local

governments. Additionally, it is unclear whether MPO data would be able to capture actual spending, after the fact, versus funding programmed for future projects.

- 3) *How do we reduce VMT?* As stated in the SB 150 report, the GHG emissions under SB 375 and VMT per capita for passenger travel are headed in the wrong direction. The CTP 2050 also adds that without intervention, VMT on California's roadways could increase by up to 35% by 2050. The "combined scenario" in the CTP 2050, which featured integrated land use and transportation policy changes, resulted in a 31% reduction in VMT from the baseline estimations by 2050. While VMT reductions were modeled based on different policy interventions, there are currently no set goals or targets for VMT reduction in the CTP or in MPOs RTP/SCS. The debate over the reduction of VMT and possible required future targets continues. As part of the discussion, it is important to better understand what some of the strategies are to reduce VMT and what impact these strategies may have.

Specifically, the CTP 2050 details a number of strategies and how much anticipated VMT reduction they would achieve. The strategies with the largest reductions by far are road pricing and land use changes. Others include implementation of the state's rail plan, telework, and more transit. Roadway pricing includes congestion pricing, tolling, parking pricing, or cordon pricing and is considered one of the most effective strategies for reducing statewide VMT and GHG emissions. However, roadway pricing brings up equity concerns. Increasing the cost of driving would place an additional burden on lower income individuals with increased transportation costs. Additionally, as noted by ARB, the rising cost of housing forces people into longer commutes.

California has implemented some forms of road pricing by authorizing certain toll roads or managed lanes on specific highway segments. However, the state has yet to implement a full scale road pricing model that has been deployed in other major cities, such as London. The CTP 2050 stresses that any road pricing scheme must be developed with equity in mind. In fact, the question is raised, "can California have an equitable roadway pricing system?" The answer, according to Caltrans, is yes. To that end, the CTP contains numerous guiding principles for roadway pricing, including prioritizing fair and equitable payment by implementing means-based fee structures, exemptions, or tax deduction for low and middle income people, and ensuring that revenues generated from the pricing program be invested in alternatives to driving.

Numerous California regions are currently conducting studies, including extensive public outreach, of possible options for various types of roadway

pricing. Both Los Angeles and San Francisco are the midst of studying options for pilot programs that could include cordon pricing for specific areas, such as charging a fee for coming to the downtown area or varying charges for times of day driving. As noted by San Francisco County Transportation Authority regarding its pricing study, “the best practice is to combine the congestion fee with discounts, subsidies, and incentives to make the system fair and encourage the use of sustainable transportation modes like transit, walking, and biking.” However, until a widespread road pricing plan is implemented, it is unclear whether it will be able to achieve the intended VMT reduction goals and also protect low and middle income people.

- 4) *Local Governments are part of the solution.* Although MPOs are tasked with developing an RTP/SCS that will achieve the GHG emission reduction targets assigned by ARB, MPOs do not have the authority to fully implement the plan. Local governments in each region play a huge role in making the RTP/SCS a success, with land use and transportation decisions that support the plan. AB 1147 requires each local government within a region to report to their MPO, a year after adoption of the RTP/SCS, to describe the actions taken to implement the RTP/SCS, including land use decisions, zoning ordinances, and transportation projects. Additionally, the report must identify barriers, including federal, state or local laws, to further the RTP/SCS.

This report is in addition to other tools in the bill for MPOs to work with local governments on implementation of the RTP/SCS. The bill authorizes MPOs to request consultation with a local government its land use decisions and transportation projects that would interfere with the region’s achievement of its target. As part of the consultation, the local government may provide its rationale for the decisions. The MPO will report back to its governing body and the consultation will be made publicly available on the MPOs website.

- 5) *Funding is still a challenge.* Funding has long been a challenge for regions in fully implementing the RTP/SCS. Although the state has committed additional resources to housing and transportation in recent years, more is always needed. To that end, AB 1147 creates a SCS Block Grant Program, to be administered by SGC, in collaboration with HCD and ARB. The program will provide planning grants and block grants to each MPO to support efforts to reduce VMT, advance equity, and meet each region’s GHG emissions reduction target.

To be eligible, each MPO would have to submit a 2035 Target Action Plan to SGC for approval. The plan must: 1) identify any changes needed to the region’s RTP/SCS to achieve its 2035 targets, 2) contain a summary of outreach to DACs, 3) identify ways to improve equity, 4) identify significant local land

use decisions and transportation projects that interfere with the targets, 5) designate high-priority investment areas that will result in infill, transit-oriented, or walkable development, 6) identify corrective actions to keep the MPO on track to meet its target, and 7) include a proposed expenditure plan for the funding.

SGC must develop guidelines for the program, as specified in the bill, and set aside 5% of funding for planning grants.

The SCS Block Grant Program is intended to work in concert with a budget item in the Budget Act of 2021. Specifically, the recently passed state budget includes \$600 million for an existing program administered by HCD, and is expected to provide planning and implement grants to regions and local governments to plan for and meet the goals of their SCS.

At the time of publication of this analysis, further trailer bill language describing the details of the SCS planning and implementation grants has not been released. It is unclear how the HCD program will reflect the parameters laid out in AB 1147.

- 6) *15-minute community*. The concept of a 15-minute community envisions neighborhoods in which almost all residents' needs can be met within 15 minutes of their homes on foot, by bike, or on public transit. Communities could accomplish such a vision with greater deployment of mixed-use development. Portland, Oregon's 2013 plan calls for "complete neighborhoods," but even in a city that already has the highest rate of biking in the nation, it will take years to achieve these goals. In the Bay Area, Google is planning for mixed-use development near transit stations which could help to foster the development of 15-minute communities there. AB 1147 would require OPR to develop guidance to provide best practices for establishing 15-minute communities including existing opportunities for grant funding.
- 7) *Bicycle highways*. In its 2017 *Toward an Active California: State Bicycle and Pedestrian Plan*, Caltrans proposed exploring opportunities to develop a network of separated "bicycle highways" to serve regional and interregional travel. Specifically, the strategy recommended pursuing development of branded (e.g., numbered, signed, and legible) networks of bicycle highways within California's major metropolitan areas, potentially through a pilot study. This bill, similar to the Caltrans proposal, requires the pilot to restrict the use of the network to bicyclists, and ensure the network has intermittent entrances and exits, serves longer distance trips, five miles or more, and supports higher-speed travel up to 25 miles per hour.

Recently, Caltrans Bay Area (District 4) initiated a study to understand where bike highways could be installed alongside state highway corridors. The first survey was open between January and March 2021. A design of what bike highways should look like in the Bay Area is expected in Fall of 2021, and a final report of how bike highways can be implemented will follow in Winter of 2021-2022.

Although there is no state funding directly tied to the pilot, the types of projects imagined are eligible for funding from the ATP program.

- 8) *SB 375 changes still in debate.* AB 1147 is one of three bills examining the RTP/SCS process to help regions achieve their GHG emissions reduction goals. SB 261 (Allen) and SB 475 (Cortese) are now two-year bills in this committee and propose more long term, structural changes to the RTP/SCS than this bill. Numerous important issues have been raised in these discussions including how regional plans align with state goals, the need for adequate funding to implement the RTP/SCS, the role of local governments in making the RTP/SCS a success, project selection by the state and regions, the role VMT reduction should play as main GHG emission reduction strategy, and whether certain VMT reduction strategies are equitable, to name a few.

As this committee considers all of these bills, it is important to remember the state's overall climate goals, the challenges facing regions and local governments in doing their part, and the collaboration needed to be successful.

- 9) *Arguments in support.* Writing in support, a coalition of environmental and active transportation advocates state, "California has led the nation in applying advanced technologies to vehicle engines and prompting innovation in transportation fuels, but has struggled to align land use with the need to reduce VMT and the corresponding emissions that cause air pollution and climate change. Passage of SB 375 (Steinberg, 2008) raised hopes for a paradigm shift, but SB 375 is not yielding its intended climate, health, equity, and conservation results.

"AB 1147 takes a multifaceted approach to set California on the course to meet its GHG emission reduction targets expected under SB 375 by making changes at the state, local, and regional levels to provide tools, accountability, and incentives for Metropolitan Planning Organizations (MPOs) to meet their 2035 AB 1147 regional GHG emission targets."

Further, “Active transportation must play a vital role in California's effort to reduce GHG and VMT. Walking and bicycling also have many positive benefits associated with public health, strong local economies, and sustainable and equitable development. AB 1147 would assist in the development of transformative active transportation projects that other cities and countries have embraced, such as bicycle highways and 15-minute cities.”

- 10) *Arguments in opposition.* Writing with an “oppose unless amended” position, Transportation California and a coalition of transportation industry and workforce organizations, state, “while VMT reductions might make sense in some contexts, and we are not opposed to the concept of reducing VMT wholesale, there has been no meaningful analysis nor is there available data about how reducing VMT impacts living-wage jobs, economic activity, and the ability to build much needed affordable housing across the state, just to name a few. Our overarching concern is that an increase in VMT typically occurs in tandem with robust economic activity. What, if any, impact will a purposeful reduction in VMT have on economic growth and the creation of living-wage jobs?”

Further, “we respectfully request the VMT language be removed from the bill and that AB 1147 instead require the state to conduct an analysis, in conjunction with MPOs, of the types of programs, policies, and project level solutions used to realize GHG emissions reductions and the associated GHG benefits from each strategy within the SCS that have been achieved to date. AB 1147 should also direct the state to study VMT reduction policy impacts on the creation of living-wage jobs, economic activity, and housing development. Prior to the state codifying VMT policy, it is critical we understand which solutions provide for the most cost-effective GHG reductions, what role VMT should play in meeting our climate change goals, and what impacts VMT policies will have on other critical state goals.”

- 11) *Double Referral.* This bill was double referred to the Senate Environmental Quality Committee, which approved the measure by a vote of 5-2 on July 1, 2021.

RELATED LEGISLATION:

SB 261 (Allen, 2021) — Tasks ARB with devising new GHG emission reduction targets for the automobile and light truck sector, as well as adding VMT reduction targets, to the requirements for SCS plans. SB 261 is currently in the Senate Transportation Committee.

SB 475 (Cortese, 2021) — Makes numerous changes to the provisions of SB 375, including but not limited to: requiring ARB to update SCS guidelines in coordination with specified agencies; tasking ARB with appointing a State-Regional Collaborative for Climate, Equity, and Resilience, with membership as specified; requiring ARB to update short- and long-term GHG emissions reduction goals, as specified; requiring the California Energy Commission (CEC) to set regional building decarbonization targets; and eliminating the APS compliance option. SB 475 is currently in the Senate Transportation Committee.

SB 1363 (Allen, 2020) — Would have required ARB to provide each affected region with GHG emission reduction targets for the passenger vehicle sector for 2045 and 2050, and with VMT traveled reduction targets for 2035, 2045, and 2050, and to release, no later than September 30, 2022, a draft of those targets, as specified. SB 1363 was held in the Senate Environmental Quality Committee during a Legislative session that saw bill limitations due to COVID-19.

SB 526 (Allen, 2019) — Would have required ARB to adopt a regulation that requires MPOs to provide any data that ARB determines is necessary to fulfill the requirements of the SB 150 Progress Report, and to determine if the MPO is on track to meet its 2035 GHG emissions reduction target. SB 526 would have also established an interagency working group, to be administered by the SGC and comprised of specified membership, to develop and implement a State Mobility Action Plan for Health Communities. SB 526 was held in the Senate Appropriations Committee.

AB 285 (Friedman, Chapter 605, Statutes, 2019) — Updated requirements of CTP to reflect the state's recent environmental legislation and requires SGC to review implementation of CTP.

SB 150 (Allen, Chapter 646, Statutes, 2017) — Required ARB to prepare a report to assess the progress of the state's 18 MPOs in meeting their regional GHG targets.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, July 7, 2021.)

SUPPORT:

350 Bay Area Action
350 Silicon Valley
Active San Gabriel Valley
American Lung Association in California
California Interfaith Power & Light
California League of Conservation Voters
California Walks
California Yimby
Center for Climate Change & Health
Central California Asthma Collaborative
Climate Plan
Coalition for Clean Air
Elders Climate Action, Norcal and SoCal Chapters
Environmental Working Group
Natural Resources Defense Council
NextGen California
NRDC
Physicians for Social Responsibility - San Francisco Bay Area Chapter
Safe Routes Partnership
Streets for All
The Climate Reality Project Orange County Chapter

OPPOSITION:

The following organizations have an "Oppose Unless Amended" position

American Council of Engineering Companies, California
Associated General Contractors of California
California Alliance for Jobs
California State Council of Laborers
International Union of Operating Engineers
Northern California Carpenters Regional Council
Rebuild SoCal Partnership
Southern California Contractors Association
Transportation California
United Contractors

-- END --

- 1) Prohibits a cannabis licensee from advertising or marketing on a billboard or similar advertising device located within a 15-mile radius of the California border on an Interstate Highway or on a State Highway which crosses the California border.
- 2) Finds and declares that the bill furthers the purposes and intent of Proposition 64.

BACKGROUND

Original Intent. In November 2016, California voters passed Proposition 64, the "Control, Regulate and Tax Adult Use of Marijuana Act" (Prop 64), which legalized adult-use cannabis. Proposition 64 directly addressed cannabis billboard advertising by adding Section 26152(d) to the Business and Professions Code which provides that no cannabis licensee shall:

"Advertise or market on a billboard or similar advertising device located on an Interstate Highway or State Highway which crosses the border of any other state;"

Proposition 64 allows the Legislature to amend its provisions "provided that such amendments are consistent with and further the purposes and intent of this Act ..."

State Regulation of Cannabis Billboard Advertising. The Bureau of Cannabis Control (BCC), which has regulatory authority over cannabis advertising, adopted regulations to restrict billboard advertisements within a 15-mile radius of the California border. That regulation was challenged as inconsistent with Proposition 64 and on January 11, 2021, the San Luis Obispo Superior Court entered a summary judgement agreeing with the challenge (*Farmer v. Bureau of Cannabis Control*). Consequently, cannabis advertising along any state highway that crosses a border (e.g. Interstate 5) is illegal.

COMMENTS:

- 1) *Author's Statement.* Cannabis advertising is already extremely restricted in California, with detailed regulations directing the content and placement of all advertising. Statute and regulations specify that advertisement cannot be attractive to, or geared to an audience under the age of 21, this includes a prohibition on using cartoon characters, images of anyone under the age of 21 and toys. This is why the *Farmer v Bureau of Cannabis Control* decision out of San Luis Obispo was a blow to the licensed cannabis community. AB 1302

seeks to codify the regulations that the Bureau adopted in 2019 with respect to cannabis advertisement on billboards located near highways. It strikes the appropriate balance between protecting minors and providing cannabis licensees with a limited tool to advertise their legal industry to their audience.

- 2) *Outdoor Advertising.* Caltrans regulates the placement of outdoor advertising displays visible from California highways. Caltrans performs regular reviews of freeways and highways identified on the National Highway System to enforce outdoor advertising requirements under the Federal Highway Beautification Act and the State's Outdoor Advertising Act. These Acts are focused on the physical characteristics of the signs (e.g. size, placement, lighting) to ensure safety and aesthetics. There is little regulation of content.

While cannabis is legal in most states, it is still illegal under federal law. Yet the Federal Highway Administration has not taken action against the outdoor advertising of cannabis in the other states. The committee has contacted Caltrans who raised no concerns about the possibility of federal action.

- 3) *Furthering the Purpose?* As noted above, Proposition 64 allows its provisions to be amended by the Legislature “provided that such amendments are consistent with and further the purposes and intent of this Act ...” Whether this bill furthers those purposes and the intent seems to be in the eye of the beholder and something a court will surely determine.
- 4) *Supporting Arguments.* Supporters argue that cannabis advertising is heavily regulated with strict rules and procedures designed to limit exposure to minors. They note that cannabis is a legal product and that limiting outdoor advertising raises free speech issues. They believe that reinstating the BCCs 15 mile prohibition regulation is consistent with the intent of Proposition 64.
- 5) *Opposing Arguments.* Opponents argue that outdoor advertising of cannabis along highways is inconsistent with Proposition 64 and therefore the Legislature cannot amend its provisions. They believe that outdoor advertising inevitably and effectively reaches children, which is at odds with the Proposition, and that many states have banned or restricted billboard advertising of cannabis.
- 6) *Looks Familiar.* This bill was heard by the Senate Business and Professions Committee on June 30, 2021 and passed 8-2.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

From the Assembly Appropriations Committee

Any costs to the Bureau of Cannabis Control are expected to be minor and absorbable.

RELATED LEGISLATION:

AB 273 (Irwin, 2021) — Imposes a number of additional content restrictions on outdoor advertisements of cannabis and cannabis products. *This bill was granted reconsideration in the Assembly Committee on Business and Professions.*

AB 1417 (B. Rubio, 2019) — Establishes civil penalties for violating specified cannabis marketing or advertising requirements. *This bill was held under submission in the Senate Appropriations Committee.*

POSITIONS: (Communicated to the committee before noon on Wednesday, July 7, 2021.)

SUPPORT:

Advanced Vapor Devices
Anthony Law Group
Bay Area Americans for Safe Access
Biko
Bizfed Central Valley
Blackbird Distribution
Blaqstar Farms
Bloom Farms
Brite Labs
Brownie Mary Democratic Club of San Francisco
Calasian Chamber of Commerce
California African American Chamber of Commerce
California Cannabis Industry Association
California Cannabis Manufacturers Association
California Hispanic Chamber of Commerce
California Hispanic Chambers of Commerce
California Norml
California State Outdoor Advertising Association
Caliva

Cannabis Connect
Cannabis Distribution Association
Cannacraft
Cannasafe Labs
Central Coast Agriculture
Central Valley Business Federation
Cloud9
Cmg/caliva
Cresco Labs, INC
Dopen
Dosist
Double Barrel
Dreamt
Eaze Technologies, INC.
Eden
Flow Kana
Fume
Gaiaca Waste Revitalization
Harborside
Headstash
Henry G. Wykowski & Associates
Honey
Humboldt's Finest
Infinite Cal
Island
James Henry
Jetty Extracts
Kanha
Kgb Reserve
Kiva Confections
LA Vida Verde
Law Office of Kimberly R. Simms
Legal Cannabis for Consumer Safety (LCCS)
Legion of Bloom
Level Blends
Life Development Group
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation (BIZ-FED)
Los Angeles County Business Federation (BIZFED)
Lowell Herb Co.
Mammoth Distribution
Meadow

Miller Cespedes and Associates, LLC
Mpp
Nabis
National Cannabis Industry Association
New Life CA
Norcal Cannabis
Nouera
Oakland Chamber of Commerce
Oakland Extracts
Old Pal
Operation Evac
Osiris Ventures DbA Norcal Cannabis
Pasadena Chamber of Commerce
Pax Labs, INC.
Perfect Union
Pineapple Express
Pure
Rove
San Diego Americans for Safe Access
San Francisco Chamber of Commerce
Santa Monica Chamber of Commerce
Se7enleaf
Select
Silicon Valley Cannabis Alliance
Spacestation
Sparc
Special Branch
Sunderstorm
Svca
Telos
Telos Cannabis Group
The Farmacy SB
The London Fund
The Werc Shop
United Cannabis Business Association
Utopia
Valley Industry & Commerce Association
Valley Industry and Commerce Association
Vaya
Veale Outdoor Advertising
Venice Cookie Co.
Veterans Cannabis Coalition

Weed for Warriors Project
Weedmaps
West Hollywood Chamber of Commerce
Yvette Mcdowell Consulting

OPPOSITION:

Alcohol, Tobacco and Other Drugs Prevention Collaborative
Big Springs Community
Contra Costa County
Eagle Forum of California
Getting It Right From the Start
Pittsburg Bay Point Community Coalition
San Marcos Prevention Coalition
Siskiyou Conservative Republicans
Youth Forward

-- END --

priorities for investment of funds and technologies to achieve the stated goals and describe how funding will complement existing public and private investments, including existing state programs.

- 4) As established through Executive Order N-79-20, creates a goal of 100% of in-state sales of new passenger cars and trucks will be zero-emissions by 2035, 100% of medium- and heavy-duty trucks will be zero emission by 2045 where feasible, and 2035 for drayage trucks, with these goals supported by CARB regulations.

This bill:

- 1) Requires the CEC to ensure the CTP supports the state's clean transportation equity, air quality, and climate emission goals, including, but not limited to, any of the following:
 - a) The requirement that CARB reduces GHG emissions by at least 40% no later than December 31, 2030.
 - b) The Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program administered by CARB.
 - c) The short-lived climate pollutant strategy developed by CARB.
 - d) CARB's mobile source strategy.
 - e) The Clean Cars for All program which replaces highly polluting vehicles for cleaner vehicles in disadvantaged communities.
 - f) The Charge Ahead California Initiative which provides point of sale discounts for zero-emission vehicles.
 - g) The Toxic Air Contaminant Risk Reduction Audit and Plan administered by CARB.
 - h) California's Renewable Portfolio Standard which requires utilities to procure specified percentages of renewable energy.
 - i) The Transportation Electrification Program administered by the California Public Utilities Commission (CPUC).
 - j) The Clean Miles Program which encourages more zero emission vehicles in the fleets of Transportation Network Companies (TNCs).
 - a. The Electric Vehicle Infrastructure Assessment of the CEC.
- 2) Requires the CEC ensure that the CTP investments 1) annually increase deployment of infrastructure and other projects that support the deployment of medium- and heavy-duty vehicles to meet our clean transportation, equity, air quality, and climate emission goals, and 2) annually increase deployment of light duty vehicle infrastructure to fill identified deployment gaps and to advance the goals in Executive Order N-79-20.

- 3) Requires that the CEC to prioritize investments that do all of the following:
 - a) Provide non-state matching funds;
 - b) Provide economic benefits for California by promoting California-based technology firms, jobs, and businesses, especially in disadvantaged communities;
 - c) Transition workers to, or promote employment in, the alternative and renewable fuel and vehicle technology sector;
 - d) Provide GHG and criteria air pollutant reductions in nonattainment areas;

- 4) Requires the CEC to expend at least 50% of funding on programs and projects that directly benefit residents of disadvantaged and low-income communities, and at least 50% of the funds for investments in disadvantaged and low-income communities. Investments, which fulfill both criteria, shall count toward both requirements. Projects that meet these criteria may include, but are not limited to:
 - a) Programs that fill gaps in the equitable distribution of light-duty charging infrastructure, as determined by the CEC;
 - b) Programs deploying publicly accessible charging or refueling stations service low-income customers who reside in areas of high air pollution;
 - c) Infrastructure for public transportation and schoolbus electrification programs;
 - d) Programs that support deployment of clean medium- and heavy-duty vehicles, including infrastructure deployment;
 - e) Financing and vehicle purchase incentives for underserved customers;
 - f) Multilingual marketing designed to increase awareness and adoption of clean mobility options;
 - g) Vehicle and equipment programs that displace local air pollution that disproportionately burdens underserved communities;
 - h) Programs that create high-quality jobs related to supporting new clean technologies in transportation and reduce household energy burdens related to vehicle charging.

- 5) Makes numerous findings and declarations about California's efforts to reduce GHG emissions.

COMMENTS:

- 1) *Author's Statement.* AB 1389 will incorporate program changes that will focus investments in the emerging medium- and heavy-duty freight industry, dedicate funding to projects in and benefiting disadvantaged communities, align the program to meet newer climate goals, and provide project preferences for projects that reduce emissions and particulate matter in our most polluted areas. The pollutants emitted from the transportation sector leave communities like mine with dirty air and public health hazards. Cleaning up the transportation sector is critical to demonstrating that environmental justice and economic development not only can co-exist but are complimentary to each other.
- 2) *Clean Transportation Program.* The CTP, previously known as the Alternative and Renewable Fuel and Vehicle Technology Program, was established in 2007 to provide funding to specified entities to develop and deploy technologies and alternative and renewable fuels in the marketplace, without adopting any one preferred fuel or technology, to help attain the state's climate change policies. Funding was reauthorized in 2013 at then-existing levels until January 1, 2024. The Governor's fiscal year 2021-22 budget proposal included extending the sunset for these fees until 2046 and securitizing CTP revenue to accelerate funding for ZEV infrastructure. Those proposals were declined by the Legislature and instead the 2021-22 budget contains substantial additional funding for charging and refueling infrastructure (see below).
- 3) *Program Outcomes and Policies.* As of May 1, 2020, the CEC has awarded \$900 million through the CTP. The largest category of expenditures was refueling infrastructure (39%) followed by alternative fuel vehicles (28%) and alternative fuel production (20%). Many of the preferences and requirements of the CTP were established in the original 2007 legislation.
- 4) *Revising and Focusing the CTP.* Since the last reestablishment of the CTP in 2013 through AB 8, there have been significant state and federal policy changes. These changes include (1) SB 32 GHG emissions reduction target of at least 40 percent below the 1990 level by 2030, (2) the federal government's more stringent NAAQS for ozone, (3) a new program focused on reducing pollution in heavily-polluted communities (AB 617, C. Garcia, Chapter 136, Statutes of 2017), and (4) a new administrative focus on ZEVs through the recent EO N-79-20 and ARB's Advanced Clean Trucks Regulation. This bill revises the focus of the CTP with a much stronger emphasis on projects that help disadvantaged and low-income communities as at least 50% of the funding, and theoretically up to 100%, will benefit disadvantaged and low-

income communities. The bill also has a sharp focus on charging infrastructure for light-duty vehicles and on infrastructure and other projects that support the deployment of medium- and heavy-duty vehicles.

- 5) *Meeting our Goals.* Executive Order N-79-20 establishes ambitious ZEV goals which are necessary for meeting our GHG reduction goals. While the cost of meeting those ZEV goals isn't clear, it is clearly much more than we are currently spending. The solution to meeting those goals has two related parts: 1) encouraging the purchase of ZEVs, and 2) supporting the development of sufficient charging infrastructure.

The 2021-22 budget provides substantial additional funding for clean- and zero emission vehicle subsidies:

- \$98 million for clean trucks, busses and off-road vehicles
- \$115 million for zero emission drayage trucks
- \$70 million for zero emission transit busses
- \$130 million for zero emission school busses
- \$425 million for the Clean Vehicle Rebate Project for light duty vehicles

The 2021-22 budget provides substantial charging and refueling infrastructure funding:

- \$84.7 million for zero-emission drayage trucks
- \$29.7 million for zero-emission transit busses
- \$19.85 million for zero-emission school busses
- \$25 million for the drayage truck pilot project
- \$494.19 million for zero-emission light-, medium-, and heavy-duty vehicles

The CEC estimates that California will need 1.2 million chargers by 2030 to service our goal of 8 million light duty ZEVs¹. As of late 2020 there were about 70,000 chargers, meaning we'll need to install another 1.1 million additional chargers. It isn't clear how many charging stations will result from these expenditures and how far towards our ZEV goals these expenditures will take us. But this funding is about 6x what was spent on these projects in the last year. None of this funding will be subject to the provisions of this bill.

- 6) *Clarifying suggestion.* Section 44272 (f) is a bit unclear. As written, a project must meet all four criteria to be prioritized. If the intent is to provide

¹ California Energy Commission Revised Staff Report; "Assembly Bill 2127 Electric Vehicle Charging Infrastructure Assessment"; May 2021 (CEC-600-2021-001-REV); p14.

prioritization for a project that meets any one of the criteria and to provide additional prioritization for projects which meet additional of those criteria then the language should be revised.

7) *Second Referral.* This bill was heard by the Senate Energy, Utilities and Communications Committee on July 5, 2021 and approved 11-1.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

From the Assembly Appropriations Committee -- CEC costs are absorbable within existing resources.

RELATED LEGISLATION:

SB 726 (Gonzalez, 2021) — Revises the CEC ARFVTP in many ways mirroring the changes proposed by this bill, and requires the development of a sustainable transportation strategy by the CEC and the CARB. *The bill is pending in the Assembly Committee on Transportation.*

AB 2772 (Reyes, 2020) — Would have revised CTP to no longer require CEC to provide certain project preferences and to additionally require CEC to provide preference to a project that has the ability to support advanced vehicle infrastructure needed to meet specified climate goals. *AB 2772 was held in Assembly Transportation due to COVID-related bill limitations.*

AB 8 (Perea, Chapter 401, Statutes, 2013) — Extended until January 1, 2024, extra fees on vehicle registrations, boat registrations, and tire sales in order to fund the programs established in the Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007.

AB 118 (Núñez, Chapter 750, Statutes, 2007) — Enacted the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007. Establishes the Enhanced Fleet Modernization Program and the Air Quality Improvement Program.

POSITIONS: (Communicated to the committee before noon on Wednesday, July 7, 2021.)

SUPPORT:

Abb INC.
Abc Companies

Advanced Energy Economy (AEE)
Amplify Power
Anaheim Transportation Network
Antelope Valley Transit Authority
Arrival
Ballard Power Systems
California Electric Transportation Coalition
Calstart
Center for Sustainable Energy
Ceres
Chanje Energy INC.
Coalition for Clean Air
Communities for A Better Environment
Electric Vehicle Charging Association
Enow
Environment California
Greenpower Motor Company
J.b. Poindexter & Co., INC.
Momentum Dynamics Corporation
Motiv Power Systems
Natural Resources Defense Council (NRDC)
Nikola Corporation
Odyne Systems, LLC
Pheonix Motorcars
Phoenix Motorcars
Proterra
Sea Electric
Sunline Transit Agency
The Greenlining Institute
The Lion Electric Co.
Veloce Energy
Volvo Group North America

OPPOSITION:

Alliance for Automotive Innovation
California Hydrogen Coalition

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	AB 1524	Hearing Date:	07/13/2021
Author:	O'Donnell		
Version:	07/05/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: State Air Resources Board: zero-emission drayage trucks: Project 800 initiative

DIGEST: This bill directs the California Air Resources Board (ARB) to extend the Project 800 initiative to provide continued financial incentives to support the ordering of an additional 1,000 to 1,600 zero-emission drayage trucks in 2022.

ANALYSIS:

Existing law:

- 1) Creates the Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology (Clean Truck) Program administered by the California Air Resources Board (ARB) in conjunction with the State Energy Resources Conservation and Development Commission (CEC).
- 2) Establishes the Greenhouse Gas Reduction Fund (GGRF) in the State Treasury and requires all money collected pursuant to the cap-and-trade program, with limited exceptions, to be deposited into the fund.
- 3) Upon appropriation of money from GGRF, requires the Clean Truck Program to fund development, demonstration, pre-commercial pilot, and early commercial deployment of zero- and near-zero emission truck, bus, and off-road vehicle equipment technologies. Eligible projects include point-of-sale purchase incentives for commercially available zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies, known as the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP).

This bill:

- 1) Directs ARB to extend the Project 800 initiative to include an additional 1,000 to 1,600 zero-emission drayage trucks in 2022.
- 2) Limits the Project 800 initiative financial incentives only to applicants that do not have specified unsatisfied labor law violations at the time of application and will not have an unsatisfied labor law violation for at least three years from the date of the application. Applicants who are listed on the Department of Labor Standards Enforcement's list of drayage carrier violators are also ineligible for these financial incentives.
- 3) States that it is the intent of the Legislature to:
 - a) Provide funding for the extended Project 800 initiative from, but not limited to, HVIP; and
 - b) Have 1,000 to 1,600 zero-emission drayage trucks be ordered by December 31, 2022 and operating at California ports by December 31, 2024.
- 4) Makes findings and declarations regarding the state's zero-emission vehicle goals and the current challenges facing zero-emission truck adoption.

BACKGROUND:

Project 800. ARB recently established the Project 800 initiative as part of the HVIP program. The Project 800 goal is to support the deployment of zero-emission trucks serving California ports by setting a goal of 800 zero-emission drayage truck orders in 2021. These 800 trucks represent a pathway toward jump-starting the sector and paving the way for more zero-emission trucks in the near future.

Drayage trucks are on-road, diesel-fueled, heavy duty trucks that transport containers and bulk to and from the ports and intermodal railyards as well as to many other locations. They are dealt with separately from the more general medium- and heavy-duty vehicle programs because ARB believes there is an immediate critical need to reduce exposure to diesel exhaust in communities where port and intermodal rail drayage activity occurs.

HVIP. Launched by ARB in 2009, the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) uses Greenhouse Gas Reduction Fund (GGRF) money to subsidize the purchase of early commercial clean vehicle technologies. Since its inception, more than \$589 million has been allocated to HVIP, and in recent years its budget was exceeded by voucher requests.

Executive Order N-79-20. In Executive Order N-79-20, Governor Newsom established a goal that 100% of medium and heavy-duty (MHD) vehicles be zero-emission vehicles (ZEVs) by 2045. Supporting this are several programs at ARB, including the Advanced Clean Truck regulation that requires an increasing percentage of MHD trucks sold to be ZEVs beginning in 2024, HVIP, and a rule expected later this year to require fleets to purchase ZEVs.

COMMENTS:

- 1) *Author's Statement.* AB 1524 extends ARB's Project 800 initiative to provide funding to support the deployment of an additional 1,000-1,600 drayage trucks in 2022. Expanding Project 800 will help our state make more progress towards the goal of transitioning to zero-emission drayage operations by 2035 and send an important signal to truck manufacturers that they should increase production in anticipation of future demand—setting the state apart as a leader in clean goods movement.
- 2) *Consistent with Port Plans.* The Ports of Los Angeles and Long Beach, the two largest ports in the United States, have jointly established a plan for cleaning the air around the ports. The most recent version of the plan, known as the San Pedro Bay Ports 2017 Clean Air Action Plan Update, sets a goal of zero emissions for on-road drayage trucks serving the ports by 2035, among other zero emission goals. This bill supports that effort.
- 3) *Not Cheap.* Supporters note zero-emission drayage trucks are relatively quite costly: A used diesel truck that is typically used in port drayage costs under \$50,000, while a new zero-emission truck costs over \$350,000 and that doesn't count the cost of the refueling infrastructure. HVIP provides subsidies of up to \$120,000 per vehicle. Doing the math, providing funding for an additional 1000 drayage trucks, the minimum proposed by this bill, will cost \$120 million. This bill does not provide an appropriation. The 2021-22 budget does not provide specific funding for this program, though there is \$115 million for drayage truck programs generally.
- 4) *Are the Subsidies Worth It?* Replacing a diesel truck with a zero-emission truck has substantial benefit from both an air quality and GHG perspective. And because these drayage trucks are predominantly used on and near the ports, the benefits are concentrated in the surrounding communities, which are often disadvantaged. But \$120,000 for one drayage truck is equal to the CVRP rebate for 60 battery electric cars (\$2,000 apiece) or 13 battery electric cars through the Clean Cars for All program for low-income families (\$9,500 apiece). Which program provides higher benefits? We don't know. But this is the type

of information policy makers will need to know as they assess the many different GHG reduction programs and determine which merit funding from the limited resources available.

- 5) *New Labor Language*. Recent amendments to the bill revise the provisions limiting any subsidies to firms in compliance with a variety of labor, tax, health and safety laws. The new language limits subsidies to firms that can attest to ARB that they do not have a violation for illegal conduct related to misclassification of employees as independent contractors, including the failure to pay wages, imposing unlawful expenses, or failing to remit payroll taxes or provide workers compensation insurance, and that violation remains unabated or unsatisfied. The firm must also agree not to have a violation of any of those same laws for at least three years from the date of its application for the incentives or for the duration of the incentive agreement, whichever is longer. Anyone can complain to the Department of Industrial Relations (DIR) that a firm is in violation of these laws and the DIR shall investigate. If the DIR investigation finds a violation then the firm must repay all the financial incentives received plus interest. Moreover, a firm that is on the list maintained by the Division of Labor Standards Enforcement of port drayage operators that have engaged in illegal conduct relating to various specified labor laws is also ineligible to receive the financial incentives.

The author states that this language was negotiated with the California Trucking Association and is the same language negotiated for AB 794 (Carrillo), a similar but more generally applicable bill that will be heard in the Environmental Quality Committee. This committee has confirmed with the California Trucking Association that they have worked with the author and representatives of organized labor and that they are comfortable with the language.

- 6) *Looks Familiar*. This bill was heard by the Senate Environmental Quality Committee on July 1, 2021 and passed on consent.

RELATED LEGISLATION:

SB 372 (Leyva, 2021) — This bill establishes the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the California Air Resources Board's (CARB) Air Quality Improvement Program (AQIP) to make financing tools and nonfinancial supports available to the operators of medium- and heavy-duty vehicle fleets to enable those operators to transition their fleets to zero-emission vehicles; requires CARB to designate the California Pollution

Control Financing Authority (CPCFA) as the agency responsible for administering the program. *This bill is pending in the Assembly Natural Resources Committee.*

AB 794 (Carrillo, 2021) — Establishes labor and workforce standards as a co-benefit of clean air standard vehicle incentive programs and conditions incentive eligibility on first meeting the clean air standard and then by meeting the labor and workforce standards. *AB 794 is currently awaiting hearing in the Environmental Quality committee.*

AB 111 (Boerner Horvath, 2021) — Requires CalSTA to implement a Safe and Clean Truck Infrastructure Program to support the construction and operation of zero-emission medium- and heavy-duty vehicle parking and electric vehicle charging and hydrogen refueling infrastructure on public and private properties, and to encourage the use of zero-emission vehicles. Requires the PUC, in consultation with the CEC and ARB, to establish a rate structure to promote the adoption of zero-emission vehicles and zero-emission freight equipment. *This bill was held in the Assembly Transportation Committee.*

SB 44 (Skinner, Chapter 297, 2019) — Requires the Air Resources Board (ARB) update the 2016 mobile source strategy to include a comprehensive strategy for the deployment of medium duty and heavy-duty vehicles in the state for the purpose of bringing the state into compliance with federal ambient air quality standards and reducing motor vehicle greenhouse gas (GHG) emissions from the medium duty and heavy-duty vehicle sector, as specified.

SB 1403 (Lara, Chapter 370, 2018) — Requires the state Air Resources Board (ARB) to adopt a three-year investment strategy for zero- and near zero-emission heavy-duty vehicles.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

From the Assembly Appropriations Committee

Costs of approximately \$220,000 for additional staff to coordinate with other agencies to comply with the new requirements of the program (Greenhouse Gas Reduction Fund).

HVIP received \$25 million in Air Quality Improvement Program funding for FY 2020-21, after running using all funding and closing in November of 2019. ARB will accept new applications next month with the \$25 million plus another \$125 million in cancelled vouchers, for a total of \$150 million, which is expected to be awarded very quickly.

POSITIONS: (Communicated to the committee before noon on Wednesday,
July 7, 2021.)

SUPPORT:

California Association of Port Authorities
California Hydrogen Coalition
Coalition for Clean Air
Coastal San Pedro Neighborhood Council
Earthjustice
Green Education INC.
Harbor Association of Industry & Commerce
Harbor Trucking Association
International Longshore & Warehouse Union Local 13
Long Beach; Port of
Los Angeles; City of
Port of Los Angeles
Port of Oakland
San Pedro Bay Ports Sustainable Supply Chain Advisory Committee
South Coast Air Quality Management District

OPPOSITION:

None received

-- END --

- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution:

- 1) Designates the portion of State Route 710 in the City of Long Beach, from post mile R3.773 to post mile R5.452R, covering the full length of State Bridge number 53-3000, as the Long Beach International Gateway Bridge.
- 2) Requests the Department of Transportation to determine the cost of erecting appropriate signs, consistent with the signing requirements for the state highway system, showing this special designation and, upon receiving donations from non-state sources covering that cost, to erect those signs.

COMMENTS:

- 1) *Author's Statement.* The City of Long Beach is home to the Port of Long Beach, the 2nd largest container port in the US. The Port serves as an economic engine connecting Long Beach, California and the rest of the United States to international ports throughout the world. To meet the intense traffic needs created by port operations, the Port of Long Beach partnered with Caltrans, LA Metro, and the US Department of Transportation to construct a state of the art bridge with more lanes and a higher clearance for cargo ships passing below. Now that the bridge is complete and operational, it should carry a name that reflects the role it plays in economically connecting the City of Long Beach and the United States to the rest of the world through the Port of Long Beach. ACR 88 does that by naming this new bridge the Long Beach International Gateway Bridge.
- 2) *Background.* The City of Long Beach is the seventh most populous city in California and is home to the Port of Long Beach, the second largest container port in the United States, moving 8,100,000 containers' worth of cargo in 2020. The Port of Long Beach serves as a local, regional, and statewide economic engine with a direct and statewide economic impact of \$28.9 billion to California's gross domestic product in 2017. The Port of Long Beach supports 2,600,000 jobs throughout the United States that are dependent on trade traveling through the port, as well as directly supporting 576,000 jobs in the five-county southern California region alone.

The Port of Long Beach was connected to the nation's highway system through the Gerald Desmond Bridge that saw 15% of all containerized cargo imported into the United States cross its length during the peak of its use. The Gerald Desmond Bridge was not designed to accommodate this level of traffic going over it, or modern container ships passing under it, with the bridge's maximum vertical clearance of only 155 feet.

To better serve this traffic, the Port of Long Beach partnered with the Department of Transportation, the Los Angeles County Metropolitan Transportation Authority, and the United States Department of Transportation to initiate the Gerald Desmond Bridge Replacement Project. The project has led to the construction of a new bridge to better accommodate the passage of the 68,000 vehicles expected to cross it every day. This replacement bridge also provides up to 50 feet of additional clearance for the container ships passing under the bridge.

RELATED LEGISLATION:

None.

FISCAL EFFECT: Appropriation: Fiscal Com.: Yes Local:

Unknown

POSITIONS: (Communicated to the committee before noon on Wednesday, July 7, 2021.)

SUPPORT:

None received

OPPOSITION:

None received

-- END --