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

Bill No:	SB 66	Hearing Date:	4/27/2021
Author:	Allen		
Version:	4/14/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Amy Gilson		

SUBJECT: California Council on the Future of Transportation: advisory committee: autonomous vehicle technology

DIGEST: This bill would require the Secretary of the California State Transportation Agency (CalSTA) to establish an advisory committee—the California Council on the Future of Transportation—to provide the Governor and Legislature with recommendations for changes in state policy to ensure that as autonomous vehicles (AVs) are deployed, they enhance the state’s efforts to increase road and transit safety, promote equity, and meet public health and environmental objectives.

ANALYSIS:

Existing law:

- 1) Establishes CalSTA, comprising the Department of the California Highway Patrol, the California Transportation Commission, the Department of Motor Vehicles, the Department of Transportation, the High-Speed Rail Authority, and the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun.
- 2) Establishes conditions for the operation of autonomous vehicles (AVs) upon public roads and requires the Department of Motor Vehicles (DMV) to adopt regulations for the operation of AVs as soon as practicable, but no later than January 1, 2015, as specified.
- 3) Defines “autonomous vehicle” to mean any vehicle equipped with autonomous technology that has been integrated into that vehicle. Specifies that an AV does not include a vehicle that is equipped with one or more collision avoidance systems, including, but not limited to, electronic blind spot assistance, automated emergency braking systems, park assist, adaptive cruise control, lane keep assist, lane departure warning, traffic jam and queuing assist, or other

similar systems that enhance safety or provide driver assistance, but are not capable, collectively or singularly, of driving the vehicle without the active control or monitoring of a human operator.

This bill:

- 1) Makes findings and declarations that California, as a technological hub for innovation, should support the continued research and deployment of autonomous vehicle technology and that the deployment of AVs should support a variety of related state safety, environmental, jobs, equity, and mobility efforts.

Establishment of the council

- 2) Require the secretary of CalSTA to establish an advisory committee known as the California Council on the Future of Transportation (Council).
- 3) Requires the council to provide the Governor and the Legislature with recommendations for changes in state policy to ensure that as autonomous vehicles are deployed, they enhance the state's efforts to increase road and transit safety, promote equity, and meet public health and environmental objectives.

Council membership

- 4) Specifies that the council shall be chaired by the secretary and consist of the following additional members:
 - a) The Secretary of the Natural Resources Agency or the secretary's designee.
 - b) The Secretary of Labor and Workforce Development or the secretary's designee.
 - c) The Chair of the California Transportation Commission or the chair's designee.
 - d) The Director of the Office of Planning and Research (OPR) or the director's designee.
 - e) The Director of Transportation or the director's designee.
 - f) The Commissioner of the California Highway Patrol or the commissioner's designee.

- g) The Insurance Commissioner or the commissioner's designee.
 - h) The Director of Motor Vehicles or the director's designee.
 - i) The Director of the Governor's Office of Business and Economic Development or the director's designee.
 - j) The Chair of the State Air Resources Board or the chair's designee.
 - k) A member of the Public Utilities Commission designated by the president of the commission.
- 5) Requires the secretary, in consultation of the state government council members listed above, to appoint 11 public members who represent any of the following interests:
- The insurance industry; a bona fide labor organization that represents transportation workers; a motorized and nonmotorized road user group; a science, environmental, environmental justice, equity, public health, or disability rights organization; an organization that represents aging adults; a California public research institution; a local government; a local transit agency; a vehicle or motorcycle manufacturer or an organization that represents vehicle manufacturers; or a technology company that develops autonomous technology or an organization that represents technology companies that are developing autonomous technology.
- 6) Specifies that the representatives appointed by the secretary shall serve four-year terms and may be reappointed to consecutive terms.
- 7) Expresses the intent of the Legislature that, in selecting members, the secretary appoint a membership that reflects as many of the interests described above as possible.

Council process and report

- 8) Requires the council to gather public comment on issues, concerns, and policies related to autonomous vehicles and to submit a report to the Legislature with recommendations for statewide policy changes and updates, and any additional research or data needed, no later than January 1, 2024.
- 9) Requires the council to update the report, or submit a new report, of its recommendations biennially thereafter or more frequently at the secretary's

discretion.

- 10) Requires the council to include in its report policy recommendations on topics including but not limited to:
 - a) Enhancing safety for all road and transit users in the near and long term, including potential changes to traffic laws, and licensing and registration, taking into account changes in autonomous vehicle technology over time.
 - b) Infrastructure improvements needed for the safe operation of autonomous vehicles.
 - c) Improving how individuals travel, including, but not limited to, reducing traffic congestion and vehicle miles traveled.
 - d) Furthering the state's environmental, public health, and energy objectives, including specified planning priorities.
 - e) Promoting the integration of new mobility services with walking, bicycling, transit, and other modes of travel.
 - f) Labor and economic impacts that include, but are not limited to, potential job loss, worker displacement and deskilling, workforce training and development program and funding needs, negative effects on public transit services, and job creation.
 - g) Increasing the availability of accessible mobility options, particularly for individuals with technological, financial, cultural, and other barriers to mobility or with different physical, sensory, and cognitive abilities, that provide accessible physical equipment and communication interfaces.
 - h) Potential changes to insurance requirements.
 - i) Identifying, assessing, and mitigating reasonably foreseeable vulnerabilities from cyber-attacks or unauthorized intrusions, including false and spurious messages and malicious vehicle control commands.

Subcommittees

- 11) Requires the council to create subcommittees focused on one or more of the topics the council is required to address to gather public comment and provide recommendations to the council.
- 12) Requires that one subcommittee shall be led by OPR and focus on furthering state environmental, public health, and energy objectives set forth as part of the

statewide environmental goals and policy report, and take into consideration the California Multi-Agency Workgroup on Automated Vehicle Deployment for Health and Sustainable Communities.

Sunset

- 13) Repeals the chapter creating the council on January 1, 2035.

COMMENTS:

- 1) *Purpose.* According to the author, “For the past century, our transportation system has been dominated by personally owned vehicles powered by the internal combustion engine. While these vehicles have brought many advantages – from greater individual autonomy to faster travel times – they have also caused many traffic deaths and too much urban congestion, smog, air pollution, and climate-changing emissions. The potential consumer benefits of AVs are immense: increased safety and mobility, reduced transportation costs, a more efficient road system. However, depending on how consumers use AVs, the technology could hinder greenhouse gas emission-reduction efforts, air quality improvement, and equity goals. Through increased vehicle travel, congestion, and sprawl, AVs could also significantly change the way cities look (and the way people and goods move) in ways we may not fully anticipate. SB 66 ensures that California supports the growth of AV technology while protecting the goals of creating a cleaner environment and healthier communities. The bill establishes the California Council on the Future of Transportation to ensure we are deliberately planning for the deployment of AVs. The bill also calls for a subgroup to pay particular attention to the state’s environmental, economic, equity, and land use goals.”
- 2) *Background on California AV policy and regulation.*

Department of Motor Vehicles (DMV). In 2012, SB 1298 (Padilla) established conditions for the operation of automated vehicles (AV) in California. In 2014, the DMV adopted regulations for the testing of AVs on public roads requiring a test driver and established an application and approval process for a testing permit. In early 2018, the DMV adopted regulations for testing AVs without a driver at the wheel and for deployment of AVs in California. DMV began accepting applications for these permits on April 1, 2018. So far, only one company has been authorized to deploy AVs, but many others are in the testing phase: the DMV has issued 56 autonomous vehicle testing permits (with a driver) and 6 autonomous vehicle driverless testing permits.

California Public Utilities Commission (CPUC). The CPUC administers safety oversight and enforcement of passenger carriers, including limousines, transportation network companies, and any AVs operated as passenger carriers. In 2018, the CPUC authorized two pilot programs that allowed participating companies to transport members of the public as passengers in AVs- either driverless or accompanied by a driver. The pilot programs did not allow permit holders to charge fares. So far, seven companies have received CPUC pilot program permits. In 2020, the CPUC created two new deployment programs, one drivered and one driverless, which will allow participants to offer passenger service, shared rides, and accept monetary compensation for rides in autonomous vehicles. To participate in the CPUC AV programs, companies must also hold AV permits from the DMV.

Office of Planning and Research (OPR). OPR previously led an interagency AV working group focused on aligning AV policy with climate, air quality, health, environment, land use, quality of life, and equity. In 2018, this working group developed “Automated Vehicle Principles for Healthy and Sustainable Communities.”

California State Transportation Agency (CalSTA). Because AVs have the potential to transform every sector of transportation, there is also policy coordination needed across state agencies. CalSTA has been facilitating this work via an interagency workgroup, which recently released draft vision and guiding principles “intended to provide a framework under which California will define policies, strategies and actions to guide the development and integration of autonomous vehicles into our communities.”

SB 66 codifies the California Council on the Future of Transportation under CalSTA, while adding 11 public members representing a variety of expertise and interests. It also tasks OPR with leading a subcommittee of the Council focused on furthering the state’s environmental, public health, and energy objectives.

Should this bill move forward, and as the work of the existing interagency working group efforts progress, the author may wish to consider whether there are additional ways SB 66 could build off of this effort, such as by amending the bill to require the Council to take into consideration the principles described in working groups draft vision document once it is finalized.

- 3) *Uncertainty about AVs*. Automation is one of the “three revolutions” in transportation, along with electrification and shared mobility (i.e., the shared

use of a vehicle on as-needed basis).¹ AVs have the potential to transform every sector of transportation. However, much is uncertain about these impacts. AVs could enhance vehicle safety by removing human error from the driving task and improve access to mobility for many people. On the other hand, AVs could create more congestion and sprawl, as it becomes more convenient to use the “free” time of riding in AVs for other tasks such as work. AVs could replace transit trips, or it could provide better first- and last-mile connectivity to increase transit use. According to the California Transportation Plan 2050, AVs could increase VMT by up to 33% and become common on the roads within decades. Currently, the Legislature has limited understanding of how to plan for a “driverless” world. The path for AVs is also complicated by highly publicized accidents as well as concern for the impact on our workforce.

- 4) *Lessons from a comparative analysis of state-level AV advisory bodies across the US.* In 2020, the University of California Institute of Transportation Studies released a research report on actions states across the US are taking in response to AVs.² The report included an analysis of AV stakeholder forums and recommended that “California form a state-level working group representing leaders from the public sector, industry, NGOs, and academia to advise the Governor and the Legislature on AV policy across a range of focus areas.”

The Council SB 66 would create is consistent with many of the recommendations in the report, but there are other recommendations that may be worth considering during deliberations on the form of an AV council here in CA. For example, the report suggests several additional areas of analysis: data sharing and privacy, social equity, goods movement and freight, emergency response, and urban air mobility.

The author and committee may wish to consider incorporating emergency response, goods movement and freight, and privacy into the topics the council considers, and may wish to consider adding the California Privacy Protection Agency Board to the council.

SB 66 currently requires the Council to deliver its first report to the legislature in 2024 and biennially thereafter. With 2024 several years off, but AV companies beginning to deploy here in CA, the ITS report suggest that the council may be able to provide interim deliverables, such as white papers,

¹ <https://3rev.ucdavis.edu/policybriefs/>

² “Synthesis of State-Level Planning and Strategic Actions on Automated Vehicles: Lessons and Policy Guidance for California” by S. Wong and S. Shaheen

initial recommendations, convenings, webinars, cross-agency collaboration, public-private partnerships, pilot projects, or research evaluations to begin advising the Governor and Legislature on AV policy in the short term.

The author and committee may wish to consider authorizing the council to submit to the Legislature interim policy recommendations or considerations, including identifying research needed, prior to the first formal report required in 2024.

The ITS report also provides several other interesting suggestions, including that public universities may be employed as third-party, independent facilitators and/or conveners and that California consider building a coalition with other western states to coordinate on AV regulations and policies, share lessons learned, and support AV interstate commerce and travel.

- 5) *Lots to cover.* SB 66 requires the council to form a subcommittee focused on furthering the state's environmental, public health, and energy objectives. **The author and committee may wish to consider** directing the council to form subcommittees on the other topics the council is required to cover as well in order to provide similar depth of consideration across the subject the council would examine.
- 6) *Public participation and transparency.* SB 66 requires the Council to gather public comment on issues, concerns, and policies related to AVs. However, there may be an opportunity to better define what the Council will do with the public comment gathered- how they will respond and take it into account in the resulting report to the Legislature. There are also mechanisms that provide for more interactive public participation and transparency, such as public meetings, town halls, focus groups, or an online presence which would allow the broader public to be part of the process of shaping how AVs are incorporating into the fabric of Californians' lives.

The author and committee may wish to consider clarifying that the council shall consider the public comment collected and authorizing the council, including its subcommittees to hold public meetings.

The author and committee may also wish to consider requiring the council to develop an internet website and post on that site information including but not limited to autonomous vehicle regulations and state policy, how the public can provide comments to the council, and any policy considerations or

recommendations or data or research needs issues by the council.

- 7) *Arguments in support.* According to the Association for Unmanned Vehicle Systems International, “California is a leader in many policy areas and in fact was the first – and is still the only – state in the country to allow autonomous ride sharing. If SB 66 becomes law, it would allow for California to continue breaking ground in this space and work towards sound autonomous technology policy. Alabama, Colorado, Connecticut, Delaware, Idaho, Illinois, Maine, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Vermont, Washington, and Wisconsin all have some iteration of an autonomous technology council on the books already, and have thus laid the groundwork to hash out the serious questions posed by autonomy generally, but specifically in the world of transportation.

According to the Union of Concerned Scientists, “We need the state to take initiative to ensure self-driving car technologies lead us down a path that supports, rather than undermines, existing climate, transit, and public health goals. The California Council on the Future of Transportation will help the state avoid pitfalls and challenges AVs pose to the sustainability of our transportation system and recommend policy and planning solutions to the Legislature. UCS also recognizes the deployment of new technologies tend to be inaccessible to disadvantaged and low-income communities due to various financial, physical, technological, or cultural barriers. Therefore it is critical that the Council address these barriers in their policy recommendations.”

RELATED LEGISLATION:

SB 500 (Min, 2021) — prohibits, beginning January 1, 2027, the DMV from issuing original registrations for qualifying light duty AVs that are not zero emission vehicles. *SB 500 is pending in the Senate Appropriations Committee.*

SB 570 (Wieckowski, 2021) — exempts an AV that is designed to be operated exclusively and at all times by autonomous technology from any state law or regulation requiring the installation or maintenance of vehicle equipment that relates to or support motor vehicle operation by a human driver. *SB 570 is pending in Senate Transportation Committee.*

AB 859 (Irwin, 2021) — among other things, limits the data a public agency may require a mobility services operator to provide the agency and includes AVs in the definition of “mobility devices.” *AB 859 is pending in the Assembly Committee on Privacy and Consumer Protection*

SB 336 (Dodd, 2019) — would have required an on-board employee when public transit agencies deploy autonomous transit vehicles. *Died in the Assembly Transportation Committee.*

SB 59 (Allen, 2019) — directs the chair of the California Transportation Commission (CTC) to establish an advisory committee—the California Council on the Future of Transportation—to provide the Governor and Legislature with recommendations for changes in state policy to ensure California’s leadership in autonomous, driverless and connected vehicle technology. *Died in the Assembly Appropriations Committee*

SB 936 (Allen, 2018) — requires OPR to convene an Autonomous Vehicles Smart Planning Task Force. *This bill failed passage in the Senate.*

SB 802 (Skinner, 2017) — required OPR to convene an Emerging Vehicle Advisory Study Group to review and advise the Legislature on policies pertaining to new types of motor vehicles operating in California, including AVs. *Died in the Assembly Committee on Appropriations.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

Association for Unmanned Vehicle Systems International
Elders Climate Action, Norcal and SoCal Chapters
Plug in America
Union of Concerned Scientists

OPPOSITION:

None received

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or payments to any county from the Highway Users Tax Account (HUTA) after 180 days have passed since the position became vacant (SHC §2006).

- 5) Authorizes the Orange County Board of Supervisors to abolish the office of road commissioner if the board transfers all of the commissioner's duties to an environmental management agency.
- 6) Authorizes the Merced County Board of Supervisors to abolish the office of road commissioner if it transfers all of the road commissioner's duties to the county director of the department of public works.

This bill:

- 1) Authorizes the Board of Supervisors of the County of Colusa to abolish the county road commissioner if the county transfers the duties of the road commissioner to the county director of the department of public works.
- 2) Requires that any civil engineering functions that were to be performed by the road commissioner shall be performed by a registered civil engineer acting under the authority of the director of public works.
- 3) Finds that a special bill is needed for the County of Colusa because of its particular conditions.

COMMENTS:

- 1) *Author's Statement.* "SB 79 would bring relief to the County of Colusa by allowing the Board of Supervisors to transfer county road commissioner authority to the Director of Public Works. Right now, current law only allows a county to transfer road commissioner duties to the Director of Transportation. Colusa County has been unable to fill the road commissioner position for quite some time now and there are serious consequences if the position is left vacant for more than six months - the County will not be able to access its monthly Highway User Tax Account (HUTA) apportionments. This would be an important and necessary change for this small, rural community."
- 2) *Good Government.* This seems like a reasonable way for a smaller county to manage its affairs while not diminishing critical expertise. While the director of the department of public works is not required to have any specific professional license, any civil engineering functions that were to be performed by the road

commissioner will still be performed by a registered civil engineer acting under the authority of the director of that department.

- 3) *Looks Familiar*. The Legislature has recently granted similar relief to the County of Merced (SB 907: Canella, Chapter 135 of 2018).
- 4) *Double Referral*. This bill was heard in the Senate Governance and Finance Committee on April 8, 2021 and passed 5-0 as a consent item.

RELATED LEGISLATION:

SB 907 (Canella, Chapter 135 of 2018) — provided Merced County with the authority to abolish the office of the road commissioner and transfer those duties to the director of public works.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

County of Colusa (sponsor)

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	SB 231	Hearing Date:	4/27/2021
Author:	McGuire		
Version:	1/19/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Melissa White		

SUBJECT: Department of Transportation: transfer of property: Blues Beach property

DIGEST: This bill authorizes the California Department of Transportation (Caltrans) to transfer the Blues Beach property in Mendocino County to a qualified non-profit corporation organized by one or more California Native American Tribes for the purposes of environmental protection.

ANALYSIS:

Existing law:

- 1) Provides that Caltrans has full possession and control of state highways.
- 2) Allows Caltrans to acquire any real property that it considers necessary for state highway purposes.
- 3) Allows Caltrans, whenever it determines that any real property acquired by the state for highway purposes is no longer necessary, may sell, contract to sell, sell by trust deed, or exchange the real property it in the manner and upon terms, standards, and conditions established by the California Transportation Commission (CTC).
- 4) Requires Caltrans to offer to sell or exchange excess real property, meaning all land and improvements situated outside of the calculated highway right-of-way lines not needed or used for highway or other public purposes, within one year from the date that it is determined to be excess.
- 5) Generally allows state or local agencies to transfer the interest, or obligation to restore and enhance property, to a governmental entity, special district, or non-profit organization if the agency is required to protect property to mitigate an adverse impact of a project upon natural resources.

- 6) Generally prohibits state land that is located between the first public road and the sea, with an existing or potential public accessway to and from the sea be transferred or sold by the state to a private entity unless the state retains a property interest. Allows for exceptions if the transfer is to a non-profit that exists for the purposes of preserving lands for public use, as specified; or are state lands controlled by the Department of State Parks or the State Coastal Conservancy, as specified.

This bill:

- 1) Defines “Blues Beach property” as approximately 172 acres of property located immediately west and adjacent to State Route 1 between post mile 73.88 and post mile 75.00 in the unincorporated community of Westport in the County of Mendocino that was acquired by Caltrans for state highway purposes. Declares that Blues Beach property does not include property that is part of the highway operating right of way.
- 2) Defines “Qualified non-profit corporation” as a non-profit corporation that is qualified pursuant to Section 501 (c) (3) of the Internal Revenue Code and is organized by one or more California Native American tribes for the purpose of environmental protection.
- 3) Authorizes Caltrans to transfer the Blues Beach property to a qualified non-profit corporation upon terms, standards, and conditions approved by the CTC.
- 4) Requires the Blues Beach property to be maintained as a natural habitat.
- 5) Authorizes Caltrans to enter into a cooperative agreement with the transferee to provide funding for the future maintenance of the property. In determining the amount of funding, requires Caltrans to consider the costs of maintaining the property and offset from the amount of those costs any benefit or value received by the transferee as a result of the transfer. Requires any funding provided as part of the transfer agreement to be limited to a single payment.
- 6) Requires Caltrans to provide written notice of the transfer and cooperative agreement, and any amount of funding, to the fiscal and transportation policy committees of the Legislature at least 30 days prior to the transfer for review.
- 7) Requires the qualified non-profit corporation to assume the long-term responsibility for the future maintenance of the property.

- 8) Requires the property to revert to Caltrans if the qualified non-profit corporation fails to maintain the property, or if it ceases to exist, including any remaining funds from the original transfer. Prohibits any associated costs of the reversion be accrued to Caltrans.
- 9) Requires all deeds conveying the Blues Beach property include a restriction limiting the use of the property to natural habitat purposes, and be filed with the county recorder's office in the county where the property is located.
- 10) Prohibits the qualified non-profit corporation to:
 - a) Transfer or assign the property to another entity without approval from Caltrans.
 - b) Transfer or use the property for any other purpose than those authorized.
 - c) Subdivide the property.
 - d) Allow the property to be used to obtain development approval for other property or to provide mitigation for the development of other property.
- 11) Requires the qualified non-profit corporation to allow public access to the Blues Beach property consistent with the requirement to maintain the property as a natural habitat but allows the non-profit to restrict public access to any portion of the property that contains a Native American burial ground.

COMMENTS:

- 1) *Purpose.* According to the author, "California Native American tribes have been the caretakers of the Golden State for centuries, protecting precious coastline, forests, and wildlife. Across the North Coast, tribes have taken the lead in efforts to restore cultural landmarks to their former glory, and keep these spaces protected from human-made damage. SB 231 will allow the California Department of Transportation (Caltrans) to transfer the Blues Beach, or Chadbourne Gulch Beach, property in Mendocino County to a qualified non-profit, which will be headed by three local tribes, for its maintenance and protection at the non-profit's expense."
- 2) *Blues Beach property.* The Blues Beach property, also known as Chadbourne Gulch, is located approximately 14 miles north of Fort Bragg in the unincorporated community of Westport in Mendocino County. It is comprised of 12 parcels totaling 172 acres and is owned and maintained by Caltrans. The

location offers popular surfing opportunities on the northern Mendocino coast and caters to both locals and tourists alike. The beach currently has an access road from Highway 1, and visitors often drive right up to the water, which can result in damages to the natural habitat, trash and debris, and potential dangerous conditions as cars can become stuck in the sand.

Blues Beach is culturally significant to Native American tribes in Mendocino County. Specifically, the Sherwood Valley Band of Pomo Indians, the Round Valley Indian Tribes, and the Coyote Valley Band of Pomo Indians are direct descendants of the Coast and Northern Pomo people who inhabited this coastal area. The property contains known village sites, human remains, cultural resources, and archeological sites.

According to the tribes, in 2011, they became aware that the Blues Beach property was being severely impacted by vehicles, including a highly sacred site that contains tribal ancestors and artifacts. The tribes joined together to begin discussions with Caltrans on protective measures for the historical sites on the property.

In 2019, the tribes formed a formal working group to approach Caltrans and advocate for a property transfer of ownership to the tribes. To date, these conversations are ongoing, but no final resolution has been determined.

- 3) *What can Caltrans do?* The Blues Beach property is owned and maintained by Caltrans. The land is situated between Highway 1 and the Pacific Ocean. As noted, Caltrans is responsible for maintaining beach access and up keep of the area. In working with the tribes, Caltrans has also erected some signage and fencing to help protect the cultural sites. Part of the property is incorporated into the highway right-of-way of Highway 1, and is needed for future highway safety and other uses. The remainder of the property could be transferred or sold.

Under current law, Caltrans has the ability to sell or exchange property considered “excess” meaning, property acquired by the state for highway purposes that is no longer necessary for those purposes. The CTC is tasked with developing the terms, standards, and conditions for any property sale. Additionally, Caltrans, and other state and local agencies, can transfer the interest in state property that is required to mitigate an adverse impact upon natural resources to a governmental entity, special district, or non-profit organization and can provide funds to the transferee to implement restoration or enhancements. The agencies must exercise due diligence in ensuring the transferee can effectively manage the property as natural habitat.

However, current law does not allow for the sale or transfer of property directly to Native American tribes.

- 4) *SB 231 will help move the process forward.* This bill would allow Caltrans to transfer the Blues Beach property in Mendocino County to a “qualified non-profit corporation” that is formed by one or more California Native American tribes for the purpose of environmental protection. Any transfer of property would be subject to CTC approval, as is current practice. SB 231 requires that the property be maintained as a natural habitat; and restricts the non-profit from transferring or assigning the property to another entity without Caltrans approval, using the property for any other purpose, subdividing the property, or allowing the property to be used to obtain development approval for mitigation for other property.

Additionally, SB 231 requires the non-profit to assume the long-term responsibility for the future maintenance of the property. If the non-profit fails to maintain the property as required by the bill or if the non-profit ceases to exist the property automatically reverts to Caltrans.

- 5) *The California Coastal Act must be followed.* SB 231 requires the non-profit to allow public access to the Blues Beach property, but does allow for restrictions on any portion of the property that contains a Native American burial ground. In addition to the requirements in the bill, the non-profit would have to comply with the California Coastal Act. The act requires that for transfers of state land located between the first public road and the sea, public coastal access must be provided and maintained after the transfer has occurred. According to the California Coastal Commission, this can happen via the state retaining a permanent property interest in the land adequate to provide public coastal access. Alternatively, the non-profit can enter into an agreement with the State Coastal Conservancy regarding how public coastal access will be provided consistent with the protection and conservation of coastal and natural resources.
- 6) *Next steps.* Caltrans and the tribes continue to collaborate on possibilities for the Blues Beach property. Currently, the tribes are working to form the non-profit required by this bill. Caltrans is working to assess the property to establish the parameters of a possible transfer, including what parcels they may need to retain for future highway safety or expansion purposes. Writing in support of the bill, the Coyote Valley Band of Pomo Indians states, “returning this land to the Tribes is not only the right thing to do, but will also lead to the proper stewardship and historical preservation of the beach to educate future generations and protect the beach for the long term.”

RELATED LEGISLATION:

SB 1014 (McGuire, 2020) — This bill would have authorized the California Caltrans to transfer the Blues Beach property in Mendocino County to a qualified non-profit corporation organized by one or more California Native American Tribes for the purposes of environmental protection. *SB 1014 was held in Senate Rules Committee.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

Coyote Valley Band of Pomo Indians
Sherwood Valley Band of Pomo Indians

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	SB 372	Hearing Date:	4/27/2021
Author:	Leyva		
Version:	4/19/2021 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Amy Gilson		

SUBJECT: Medium- and heavy-duty fleet purchasing assistance program: zero-emission vehicles

DIGEST: 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.

ANALYSIS:

Existing federal law:

- 1) Sets, through the Federal Clean Air Act (FCAA) and its implementing regulations, National Ambient Air Quality Standards (NAAQS) for six criteria pollutants and designates air basins that do not achieve NAAQS as nonattainment. (42 U.S.C. §7401 et seq.)

Existing law:

- 2) Establishes CPCFA and authorizes the authority to approve financing for projects or pollution control facilities to prevent or reduce environmental pollution. (Health and Safety Code (HSC) §44500 et seq.)
- 3) Establishes the California Air Resources Board (CARB) 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 implement the FCAA. (HSC §39500 et seq.)

- 4) Designates CARB as the state agency charged with monitoring and regulating statewide greenhouse gas (GHG) emissions, and requires CARB to ensure that GHG emissions are reduced to at least 40 percent below the 1990 level by December 31, 2030. (HSC §38500 et seq.)
- 5) Establishes the Air Quality Improvement Program (AQIP), administered by ARB in consultation with local air districts, to fund programs that reduce criteria air pollutants, improve air quality, and provide research for alternative fuels and vehicles, vessels, and equipment technologies. (HSC §44274 et seq.)

This bill:

- 1) Makes findings and declarations.
- 2) Establishes the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within CARB's Air Quality Improvement Program (AQIP) to make financing tools and nonfinancial support available to the operators of medium- and heavy-duty vehicle (MHDV) fleets to enable those operators to transition their fleets to zero-emission vehicles.
- 3) Requires CARB to designate the CPCFA as the agency responsible for administering the program.
- 4) Requires CARB and CPCFA to do all of the following when developing and implementing the program:
 - a) Seek input and consult with various state agencies and stakeholders.
 - b) Ensure the financing tools and nonfinancial supports provided by this program have no redundancies or inefficiencies with other state programs.
 - a) Identify the funding needs and potential funding sources for the financing tools and nonfinancial supports provided by this program.
 - b) Ensure that a minimum of 75 percent of financing products are directed towards operators whose fleets directly impact an underserved community.
 - c) Designate high-priority fleets including port and drayage truck fleets.
 - d) Provide financing tools to operators of small and microfleets, as defined, that that include, but are not limited to, direct assistance, such as incentives,

grants, and vouchers, that increase access to capital and reduce exposure to market risks or uncertainties.

- e) Provide financing tools to operators of large fleets to increase access to private capital in ways that make it easier, less expensive, or reduce uncertainties for the operators to transition to zero-emission vehicles.
 - f) Enable the stacking or coordinated combination of financial tool and non-financial supports.
 - g) Facilitate the decommissioning of high-polluting vehicles.
 - h) Develop replicable business models that engage private capital.
 - i) Include financing tools and nonfinancial supports to support electrification.
 - j) Encourage emerging flexible business, operational, and ownership models, such as lease-backs or electric vehicle managers and lessors.
 - k) Establish deadlines for the program that align with certain state goals.
 - l) Coordinate with other state agencies to provide marketing, education, and outreach to underserved communities regarding the program.
 - m) Ensure the financing tools and nonfinancial supports are available by January 1, 2023.
- 2) Requires CPCFA to develop a data collection and dissemination strategy.
 - 3) Requires CPCFA to consult with certain state agencies on the use of on-bill tariff products for charging and fueling infrastructure.
 - 4) Requires CARB to create a “one-stop-shop” that provides information on the state board’s internet website to operators of MHDV fleets about all of the potential financing and grant options and other technical assistance available to help obtain financing for zero-emission MHDV.

COMMENTS:

- 1) *Purpose.* According to the author, “California has been on the forefront of setting progressive air quality goals for decades and has worked to create and distribute cleaner and greener modes of transportation. Despite numerous

successful emission reduction regulations, heavy-duty trucks remain a large source of air pollution and the largest source of diesel particulate matter (PM 2.5)—a carcinogenic and toxic air contaminant—in California. In order to make continued progress towards our clean air and climate goals, we must also make the transition to zero emission vehicles a viable and equitable option for fleet owners and operators. California’s current solution for financing the transition to zero emission vehicles has been largely limited to rebate programs. Unfortunately, these limited options do not meet the diverse financial needs of current and future fleet owners. SB 372 will create more options to maximize California’s available funding, prioritize deployment in underserved communities, and ensure that electric vehicle transition is a real and lasting option for all fleets—regardless of size and type.”

- 2) *Health Impacts of Vehicle Air Pollution.* Fossil fuel combustion from cars, trucks, buses, and on- and off-road equipment (mobile sources) emits criteria air pollutants and their precursors which can cause irritation and damage lung tissue, worsen asthma and chronic illnesses including obstructive pulmonary disease and reduce lung function. Medium and heavy-duty diesel engines emit a complex mixture of air pollutants, including both gaseous and solid material, known as diesel particulate matter, which has been linked to increased cancer risk, respiratory and cardiac illnesses, and premature deaths.

This bill aims to accelerate the transition to zero-emission MHDV fleets.

Low-income and disadvantaged communities have long faced disproportionate burdens from exposure to air pollution. Research shows large disparities in exposure to pollution between white and non-white populations in California, and between disadvantaged communities and other communities, with Black and Latino populations experiencing significantly greater air pollution impacts than white populations. Mobile sources (e.g. cars, buses, and trucks) accounted for 45 percent of exposure disparity for the Black population, and 37 percent of exposure disparity for people in disadvantaged communities.

This bill requires that a minimum of 75% of financing products offered under the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program be directed towards fleet operators whose fleet directly operates in an underserved community or priority population for a to-be-determined percent of the time. The author is continuing to work with stakeholders to identify the appropriate percentage.

- 3) *100% ZEV medium- and heavy-duty goal by 2045.* On September 23, 2020, Governor Newsom signed Executive Order (EO) N-79-20, which established a

goal that 100 percent of California sales of new passenger car and trucks be zero-emission by 2035. In addition, the Governor's order set a goal to transition all drayage trucks to zero-emission by 2035, all off-road equipment to zero-emission where feasible by 2035, and the remainder of MHDV to zero-emission where feasible by 2045. Under the order, ARB is tasked to work with other state agencies to develop regulations to achieve these goals taking into account technological feasibility and cost effectiveness.

- 4) *Advanced Clean Trucks Regulation*. On June 26, 2020, ARB adopted the Advanced Clean Truck rule, a first-of-its-kind regulation requiring medium- and heavy-duty truck manufacturers to transition to ZEVs. Beginning in 2024, ARB will require manufacturers' new truck sales in California to be comprised of a certain percentage of ZEVs. For example, 9 percent of the largest classes of trucks in model year 2024 must be zero-emission and that percentage must increase to 75 percent by 2035.

This bill could help fleets comply with the Advanced Clean Trucks Regulation. Additionally, SB 372 requires Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program deadlines that align with the milestones in EO N-79-20 and in Advanced Clean Trucks.

- 5) *Air Quality Improvement Program (AQIP)*. AQIP, which was established by AB 118 (Nuñez, Chapter 750, Statutes of 2007), is a voluntary incentive program administered by CARB to finance, through grants, revolving loans, or loan guarantees, projects that improve air quality and promote research on the air quality impacts of alternative fuels and advanced technology vehicles.

Each fiscal year, CARB submits a Clean Transportation Incentives Funding Plan which includes AQIP programs. The plan carefully prioritizes and balances between investing in technologies that are just coming to market and providing support to emerging advanced technologies that help meet all of California's goals. As part of the plan, the Heavy-Duty Investment Strategy provides insight into how CARB plans to invest its Low Carbon Transportation and AQIP funding on a combination of transformational technologies for heavy-duty vehicles, off-road equipment, and fueling infrastructure.

AQIP is funded through, among other things, surcharges on vehicle registration fees and a portion of the Smog Abatement Fee. AQIP also receives funding from the Greenhouse Gas Reduction Fund.

This bill would create the Medium- and Heavy-Duty Zero Emission Vehicle Fleet Purchasing Assistance Program within AQIP, which will ensure it

integrated into an existing strategy and planning process, CARB's existing Clean Transportation Incentives Funding planning process.

- 6) *CPCFA*. The CPCFA provides low-cost financing to California businesses with an objective of making California more economically prosperous and environmentally clean. CPCFA provides access to capital through the delivery of financing options to California business and environmental industries by promoting public and private partnerships and offering risk mitigation tools. CPCFA partners with sister state agencies to achieve the State's environmental policy objectives by administering financing programs designed to assist regulated entities and other stakeholders with accessing private capital. As a government agency that issues tax-exempt private activity bonds, CPCFA can facilitate low cost financing to qualified waste and recycling projects, and other projects to control pollution and improve water supply.

CPCFA already implements CARB's Truck Loan Assistance Program, which helps small-business fleet owners comply with CARB regulation by securing financing to upgrade their fleets with newer trucks

This bill requires CARB to designate CPCFA the agency responsible for administering the Medium- and Heavy-Duty Zero Emission Vehicle Fleet Purchasing Assistance Program.

- 7) *Heavy-duty incentive programs focused on clean vehicle deployment*

Heavy-duty incentive programs focused on ZEV deployment are considered long-term emission reduction programs. Their impact on near-term emission reductions is not as large as for the programs that require scrappage of older vehicles. Instead, these programs have a greater impact on growing the ZEV market for long-term emission reductions. While their focus is on ZEVs, some also incentivize cleaner conventional vehicles.

The largest MHDV incentive program is the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). HVIP provides vouchers to eligible fleets to reduce the incremental cost of qualified battery electric, fuel cell, hybrid, or natural gas trucks and buses at the time of purchase. Voucher amounts range from \$45k for new natural gas engines to \$315k for a fuel cell truck or bus. Voucher amounts are higher in disadvantaged communities. However, there are multiple smaller programs, including the Truck Load Assistance Program described above.

Multiple medium- and heavy-duty incentive and financing programs could

create confusion among potential program recipients, leading to reduced program utilization and effectiveness. This bill correctly identifies this concern and creates a “one-stop shop” at CARB to provide consumer information about all of the potential state ZEV financing options.

- 8) *In addition to the one-stop-shop, this bill aims to give medium- and heavy-duty fleet owners access to new financing tools that increase to private capital.*

SB 372 identifies a number of financial tools that CPCFA could leverage private capital to support fleets in making the transition to zero emission. The Environmental Defense Fund recently released a report called “Financing the Transition” which examined barriers to financing medium- and heavy-duty vehicle electrification and made recommendations on how to overcome those barriers by deploying. In short, they recommend deploying “limited public monies in a manner that will unlock private capital at an unprecedented scale” and describe a variety of tools that could do so, and which CPCFA could implement via SB 372. Furthermore this bill directs CARB and CPCFA to identify financing tools for small fleet, microfleet, and larger fleet operators, which could help tailor support to each kind of truck fleet.

Examples of the tools identified in SB 372 include:

Capital instruments, which are financing instruments that increase access to capital or reduce the cost of capital. For example, investment aggregation involves bundling smaller medium- and heavy-duty vehicle fleet electrification investments to attract investors looking for larger opportunities.

Risk reduction instruments, which are financing instruments that reduce exposure to risk or uncertainty. For example, government-backed performance guarantees protect ZEV buyers from underperformance of vehicles or batteries.

Cost smoothing instruments, which are financing instruments that reduce and smooth up-front or recurrent costs. For example, lease-purchase agreements reduce upfront costs by enabling an electric medium- or heavy-duty fleet operator to rent vehicles with the option to buy upon termination of contract.

Nonfinancial support, including support for management of electric medium- and heavy-duty vehicles, technical assistance for financing approaches, or battery health programs.

The bill does not specify a new funding source, but instead aim to leverage existing public dollars in more efficient ways. CPCFA can offer a variety of

financial tools that may or may not need a diversion of funds from existing programs. For example, a loan loss reserve is paid for by participating customers as a small surcharge on the interest rate; it acts like an insurance pool that is funded by the participating customers. Other tools, like a revolving loan fund, only need a one-time allocation and then as the loan is paid back new loans can be drawn upon. Without knowing quite how the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program will develop or what kind of administrative costs scaling it up could bring, it is harder to estimate how many fleets could be helped with this approach.

Overall, SB 372 gives CARB and CPCFA a creative new structure to develop a variety of new ways to fund the transition of MHDVs to zero emission, while coordinating them through the one-stop-shop and targeting the benefits to underserved and priority populations.

- 9) *Triple referral.* This bill was triple referred to the Senate Environmental Quality Committee, Senate Transportation Committee, and the Senate Judiciary Committee. It was heard in the Senate Environmental Quality Committee on April 12, 2021 and passed 6-1. However, the referral to the Senate Judiciary Committee was rescinded because of the limitations placed on committee hearings due to ongoing health and safety risks of the COVID-19 virus.

The Senate Judiciary Committee provided the following comments on SB 372:

This bill touches on various issues within the jurisdiction of the Senate Judiciary Committee, most prominently the issue of public access to government records. This bill requires the CPCFA to develop a data collection and dissemination strategy for the program developed by this bill, with the purpose of facilitating future programs dedicated at financing and facilitating the adoption of zero-emission vehicles consistent with state policy. In particular, the CPCFA's strategy must include the data necessary to facilitate the financing of zero-emission vehicles in order to increase the scalability of financial tools and nonfinancial supports, and may include information such as vehicle and battery performance, upfront and operational costs, residual values, operational revenues, and zero-emissions vehicle miles traveled.

The bill further clarifies that the CPCFA need not disseminate any proprietary information it obtained in connection with the program as part of the strategy. The bill does not, however, currently protect proprietary information submitted to the CPCFA in the first instance. The California Public Record Act's exemption for trade secrets may serve to protect some

of the proprietary information in question, but other business information that could lead to a competitive disadvantage if released might not be so protected, which could discourage participation in the program and hamper California's adoption of zero-emission vehicles.

The author is continuing to work with stakeholders to develop language that will protect truly proprietary information while maintaining California's general policy of open access to records.

- 10) *Arguments in support.* In support of the bill, the Environmental Defense Fund writes, "This bill will ensure that the right kind of ZEV financing mechanisms are available to each kind of truck fleet. In doing so, we make more money from the private market into the state available to accelerate our transition to these cleaner vehicles... Vehicle fleets are a major contributor to these local [air quality] impacts, but not all truck fleets are the same size or do the same thing. In order to address the worst impacts of dirty vehicles, this bill establishes a target of 75% of the financial mechanisms be deployed in underserved and priority communities. In California, fleets ownership models range from multi-billion dollar companies to small business operations – this is why the assistance needs to be more customized to their circumstances. For these reasons, targets deployment of financial tools to different fleet sizes."

RELATED LEGISLATION:

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 is pending in the Assembly Transportation Committee.

SB 726 (Gonzalez, 2021) — Requires ARB and CEC, and others, to jointly develop a comprehensive transportation sustainability strategy to be adopted by various state agencies. Requires Governor to name a lead agency to coordinate zero emission deployment and implement the strategy. Requires CEC to recast their Clean Transportation Program to expand eligibility and give funding priority to projects including medium- and heavy-duty vehicle infrastructure, vehicles, research, pilot, demonstration, and deployment projects that reduce emissions from fleets in the goods movement and public transit sectors. This bill is set for hearing

in the Environmental Quality committee on April 12, 2021. If passed this bill will be referred to this committee.

AB 1387 (Reyes, 2021) — Requires CEC to recast their Clean Transportation Program to expand eligibility to medium- and heavy-duty vehicles, including on-road and off- road vehicles, research, pilots, demonstrations, and deployment projects that reduce emissions and particulate matter from fleets in the goods movement and public transit sectors. Requires 50% of the funding be awarded to projects located in, and benefiting, disadvantaged communities. This bill is pending in the Assembly Transportation Committee.

AB 1411 (Reyes, 2019) — Would have established the goal of the deployment of 100,000 zero-emission medium- and heavy-duty vehicles and off-road vehicles and equipment by 2030, including the corresponding infrastructure to support them. Would have required specified state agencies to develop by January 1, 2021, and update every 5 years, an integrated action plan for sustainable freight. This bill was held in the Assembly Transportation Committee.

SB 44 (Skinner, Chapter 279, Statutes of 2019) — requires ARB to update the 2016 Mobile Source Strategy by January 1, 2021, and every five years thereafter. Specifically, SB 44 requires ARB to include a comprehensive strategy for the deployment of medium and heavy-duty vehicles for the purpose of meeting air quality standards and reducing GHG emissions.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

Environmental Defense Fund (sponsor)
 350 Bay Area Action
 350 Sacramento
 350 Silicon Valley
 American Lung Association in California
 Amply Power
 Arrival
 California League of Conservation Voters
 Calstart INC.
 Center for Community Action & Environmental Justice
 Central California Asthma Collaborative

Ceres
Coalition for Clean Air
E2 (Environmental Entrepreneurs)
Elders Climate Action, Norcal and Socal Chapters
Environment California
Lordstown Motors
Los Angeles Cleantech Incubator
Motiv Power Systems
Natural Resources Defense Council
Nextgen California
NRDC
Port of San Diego
San Diego Unified Port District
San Francisco Bay Physicians for Social Responsibility
Sandiego350
Sierra Club California
Spur
The Climate Center
Union of Concerned Scientists
ZEV 2030

OPPOSITION:

None received.

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

Bill No:	SB 381	Hearing Date:	4/27/2021
Author:	Portantino		
Version:	3/9/2021		
Urgency:	Yes	Fiscal:	Yes
Consultant:	Amy Gilson		

SUBJECT: Surplus residential property: priorities and procedures: City of South Pasadena

DIGEST: This bill makes changes to the Roberti Act to encourage the sale of homes owned by Caltrans for low- and moderate-income rental housing in the State Route 710 corridor in South Pasadena.

ANALYSIS:

Existing law:

- 1) Allows Caltrans to acquire any real property that it considers necessary for state highway purposes.
- 2) Allows Caltrans, whenever it determines that any real property acquired by the state for highway purposes is no longer necessary, to sell or exchange it in the manner and upon terms, standards, and conditions established by the California Transportation Commission.
- 3) Requires Caltrans, to the greatest extent possible, to offer to sell or exchange excess real property within one year from the date that it determines the property is excess.
- 4) Generally requires state and local agencies, prior to disposing of excess lands, first to offer property for sale or lease to local public agencies, housing authorities, or redevelopment agencies within whose jurisdiction the property is located. Requires Caltrans to give priority first to entities agreeing to use the land for low- or moderate-income housing then to entities for open-space purposes, school facilities construction, enterprise zone purposes, and infill opportunities, in that order.

The Roberti Act

- 5) Provides an exception from these provisions for the disposal of excess residential properties in the unconstructed portion of the SR 710 corridor, i.e., the portion of SR 710 addressed in this bill. According to this exception, excess residential properties in this corridor are to be sold in the following priority order:
 - a) First, homes presently occupied by their former owners must be offered for sale to the occupant at fair market value.
 - b) Second, homes are to be offered to present occupants that have lived in the property for at least two years and who are persons and families of low or moderate income at an affordable price, but not less than the acquisition price or more than fair market value;
 - c) Third, homes must be offered for sale to present occupants that have lived in the home for more than five years and whose household income does not exceed 150 percent of the area median income at an affordable price, but not less than the acquisition price or more than fair market value;
 - d) Then, homes not sold under these terms must then be offered to housing-related private and public entities for a price which is best suited economically to using the property for low- or moderate-income housing or, if the property is a historic home, it may be offered to a nonprofit entity dedicated to maintaining it for public access; and,
 - e) Any excess homes not sold pursuant to these provisions are then to be sold at fair market value with first priority given to purchasers who are present occupants, second to former tenants in good standing, and then to purchasers who will be owner occupants.
- 6) Directs 50 percent of the revenue collected by Caltrans from rental of historic property that is located in a freeway right-of-way corridor to be deposited in the Historic Property Maintenance Fund to pay for costs associated with maintenance and operation of the historic properties.
- 7) As set forth in regulations, establishes an Affordable Rent Program by which Caltrans considers affordability when adjusting rents for current residential tenants who are economically disadvantaged.

This bill:

- 1) Amends the Roberti Act order of sale for SR 710 surplus residential properties in South Pasadena to provide that, after single-family surplus residential properties have been offered for sale to the present tenants who meet specified requirements, properties will be offered to present occupants, who will have 180 days from the effective date of this bill to close on the property.
- 2) Single family properties that are not purchased by present tenants, as described above, and all other occupied unoccupied, and unimproved surplus residential properties are offered to the City of South Pasadena.
- 3) Set out the following procedures for disposing of properties offered and sold to the City of South Pasadena:
 - 1) Requires the property to be offered to the City of South Pasadena for the original acquisition priced, not adjusted for inflation, paid by the Caltrans,
 - 2) Specifies that these properties be sold in “as-is” condition,
 - 3) Requires the City to do the following for each property they purchase:
 - a) Cause the property, and any new units added to the property, to be used for low- or moderate-income ownership or rental housing for a term of at least 55 years, including if the property is sold prior to the expiration of the 55 years.
 - b) Construct one unit of new low- or moderate-income residential housing outside the SR 710 corridor if the property purchased must be demolished and it is cost-prohibitive to construct a new residence on-site or if the property was unimproved and planned for a park, garden, or open space.
- 4) Require the City of South Pasadena to close on all the properties they purchase in a single closing transaction.
- 5) Authorizes the City of South Pasadena to sell, for the purchase price plus any cost paid for property rehabilitation, a property to a city-approved housing-related private or public entity.

- 6) Requires the City of South Pasadena to reinvest all proceeds for the city's sale of any SR 710 property into low-income and moderate-income housing.
- 7) Requires Caltrans to adopt, emergency regulations to implement these provisions within 60 days of the effective date of this bill.

COMMENTS:

- 1) *Purpose.* According to the author, "SB 381 would allow for more local control over the disposition of the state-owned properties along the SR 710 corridor and put the City of South Pasadena in a much better position to safeguard and champion the interests of their community. SB 381 seeks to expeditiously provide existing and qualified Caltrans tenants the opportunity to purchase while at the same time allowing the City and their housing partners to acquire and renovate the unoccupied properties. This bill allows for an economically viable solution for the city as SB 381 would require Caltrans to sell those properties at original acquisition price and will enable them to opportunity to shape and restore housing for decades to come. A common goal shared by everybody is to get Caltrans out of the property management business and this bill helps execute that goal."
- 2) *Caltrans-owned properties in the SR 710 corridor.* Beginning in the 1950s, Caltrans began acquiring property by eminent domain for the purpose of extending the SR 710 freeway through Alhambra, El Sereno, South Pasadena, and Pasadena. Local political opposition stalled the project, at which point Caltrans began renting the residential properties. Caltrans currently owns over 400 properties in the corridor, most of them single-family homes.

Property management of the homes in the SR 710 corridor has created long-standing tension between SR 710 corridor tenants and Caltrans. Over the years, tenants argued that Caltrans inadequately maintained the homes and failed to make appropriate improvements. Caltrans argued that the homes were being rented on a temporary basis and were expected to be razed to make way for freeway construction; hence, homes were kept up to health and safety standards, but long-term improvements were not a reasonable expense of public funds.
- 3) *The SR 710 extension project is not moving forward, so the Caltrans properties along this corridor are now surplus.* While, over the past fifty years, alternative concepts have been proposed and evaluated to build the SR 710 freeway between I-10 and I-210, community members, particularly residents of Pasadena, have opposed the freeway project because of concerns about the impact of the freeway on their community.

In 2018, the Los Angeles County Metropolitan Transportation Authority and Caltrans identified transportation system management and transportation demand management as a transportation alternative to the freeway gap closure. This solution does not require demolition of these homes. Last year, legislation restricted Caltrans from pursuing freeway gap closure. As such, many of these properties are no longer needed for the transportation project and are now surplus. Caltrans has begun disposing of properties. So far, it has sold 22 parcels in the SR 710 corridor across El Sereno in LA, Pasadena, and South Pasadena.

According to information provided by the author's office, there are 68 properties affected by SB 381 – 56 single family and 10 multifamily. The author has held community meetings to discuss the disposition of these properties. Public input may continue to help shape the bill and the implementation strategy details.

- 4) *SB 381 amends the process for the sale of Caltrans properties in the City of South Pasadena with the intent to move properties quickly and increase opportunities for affordable housing.*

Order of sale. The Roberti Act sets out the priority order in which residential surplus properties may be sold in the SR 710 corridor. Under current law, single-family homes must be offered to (1) the former owners, (2) present occupants who have occupied the property two years or more who are low or moderate income, (3) present occupants who have occupied the units for five or more years whose incomes do not exceed 150 percent of the area median income (AMI), (4) a housing-related private or public entity, (5) any present tenants, and finally, (6) former tenants.

This bill amends the order of sale in the City of South Pasadena. Rather than offering properties to a housing-related entity, properties would instead be offered to any current resident (even if they are above the income threshold in current law)

The author and committee may wish to consider amending the bill to clarify that properties offered to current residents above the affordable income threshold shall be offered at fair market value, and that tenants must have occupied the property for five years or more and be in good standing.

Should the bill move forward, the author many wish to consider clarifying the order and condition of sale for historic Caltrans properties in South Pasadena.

Finally, properties would be offered to the City of South Pasadena. The City may sell the property to a housing-related entity for the purposes of providing low- or moderate-income housing. SB 381 does not affect the other of sale in the City of Los Angeles or in Pasadena. A different bill, SB 51 addressed the sale of SR 710 properties in the City of Los Angeles.

Sales Price and Conditions. The Roberti Act requires properties to be sold at the fair market value. For low and moderate income households, the price must be affordable. The properties cannot be sold for less than what Caltrans originally paid for the home. If sold to a housing related entity, current law requires Caltrans to sell it at a reasonable price, which is best suited to using the property as affordable housing. The price falls between the floor (the original purchase price) and the ceiling (fair market value).

While promulgating regulations for the sale of these properties, Caltrans determined it was legally obligated to adjust its original purchase prices for inflation to determine a minimum sales price for affordable sales. This inflation-adjusted minimum was sometimes above what a tenant could actually afford. However, this adjustment was not described in the Roberti regulations and, in a 2018 lawsuit brought by some affordable price buyers; the court ruled this adjustment was an unenforceable underground regulation. Caltrans subsequently implemented the inflation adjustment through emergency regulations. This bill clarifies that the sales price floor is the original acquisition price not adjusted for inflation.

SB 381 aims to make it easier for Caltrans to sell the South Pasadena properties by allowing the city to buy a property at the original price in exchange for keeping them affordable. For a property sold to the city, Caltrans would be required to offer the property at acquisition price without adjusting for inflation. For their part, the city would be required to record a 55-year affordability covenant on the property, which would hold if the city sold the property to a housing-related entity. In addition, any new units added to a property, must be restricted to low- and moderate-income households.

The author and committee may wish to consider amending the bill to clarify that first right of occupancy will be preserved for present tenants.

- 5) *Keep it moving.* This bill gives all residents an opportunity to purchase the property they rent within 180 days of the effective date of this bill. It would then require the city to purchase any of the remaining SR 710 properties they chose to purchase in a single transaction. It also requires Caltrans to adopt emergency regulations to implement the bill's provisions within 60 days of its

effective date.

In order to provide enough time for purchases to take place, the author and committee may wish to consider amending the bill to instead provide 274 days (9 months) from the time Caltrans adopt emergency regulations implementing this bill.

- 6) *Urgency measure and other 710 bills.* SB 381 is an urgency measure, as was SB 51, which had heard earlier this year by the Senate Transportation Committee and which applied to SR 710 properties in the City of LA. SB 381 differs from SB 51 by compressing the timeline for Caltrans to adopt emergency regulations and for current tenants to consider purchasing their residence. Both bills ensure that current tenants in good standing, as specified, have the opportunity to purchase their residence before it is offered to a third party. The main difference between the two is in the next step: SB 381 then has Caltrans offer the properties to the City of South Pasadena while SB 51 instead requires Caltrans to offer the properties to a housing related entity.

RELATED LEGISLATION:

SB 51 (Durazo, 2021) — This bill makes changes to the Roberti Act to encourage the sale of homes owned by Caltrans for low- and moderate-income rental housing in the State Route 710 corridor in the El Sereno neighborhood of City of Los Angeles (LA). *SB 51 is pending on the Assembly Floor.*

SB 9 (Durazo, 2020) — This bill would have made changes to the Roberti Act to encourage the sale of homes owned by Department of Transportation (Caltrans) for low- and moderate-income rental housing and makes changes to the Surplus Land Act. This bill died on the inactive file in the Senate.

SB 7 (Portantino, Chapter 835, Statutes of 2019) — This bill restricted the California Department of Transportation (Caltrans) from considering a freeway or tunnel as a feasible alternative for State Route (SR) 710 between Interstate (I-) 10 and I-210, and makes other changes related to the SR 710 corridor.

AB 29 (Holden, Chapter 791, Statutes of 2019) — This bill restricts the California Department of Transportation (Caltrans) from considering a freeway or tunnel as a feasible alternative for State Route (SR) 710 between Interstate (I-) 10 and I-210, and redefines, as of January 1, 2024, which portions of SR 710 are included in the state freeway and expressway system to exclude the section of SR 710 generally between I-10 and I-210.

SB 400 (Potantino, Chapter 568, Statutes of 2017) — This bill prohibits the California Department of Transportation (Caltrans) from increasing the rent of tenants who are participants in Caltrans' Affordable Rent Program and residing in surplus residential properties within the State Route (SR) 710 corridor.

SB 416 (Liu, Chapter 468, Statutes of 2013) — This bill made a number of changes to the Roberti Act, which governs the sale of surplus property in the SR 710 corridor, including authorization for the Department of Transportation (Caltrans) to sell properties in an "as-is" condition to specified income-qualified persons. The bill also required the proceeds from the sale of those properties to be deposited into a newly created continuously appropriated fund, rather than the State Highway Account, for purposes of providing repairs to remaining properties until the last property is sold.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

Heritage Housing Partners

OPPOSITION:

Two individuals

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	SB 486	Hearing Date:	4/27/2021
Author:	Melendez		
Version:	2/17/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Melissa White		

SUBJECT: Driver's licenses: renewal

DIGEST: This bill extends the period of time before a driver's license expires from five years to eight years for persons between the ages of 25 and 70.

ANALYSIS:

Existing law:

- 1) Requires a driver to carry their valid driver's license at all times when driving a motor vehicle upon a highway.
- 2) Authorizes the Department of Motor Vehicles (DMV) to renew a person's driver's license by mail if the person is under the age of 70, has not previously renewed his or her license by mail two consecutive times for five-year periods, and does not have moving violations for the two years immediately preceding the renewal, as specified.
- 3) Federal law, the REAL ID Act, establishes minimum standards for the production and issuance of state-issued driver's licenses and identification cards (ID) in order to board a plane or gain access to certain federal facilities.
- 4) The REAL ID Act requires states to limit the period of validity of all driver's licenses and IDs that are not temporary to a period not exceeding eight years, and requires holders of REAL ID renew with the state DMV in person every at least once every 16 years.

This bill:

- 1) Extends the period before a driver's license expires from five years to eight years for persons between the ages of 25 and 70.

- 2) Prohibits a licensee from renewing his or her driver's license by mail two consecutive times.

COMMENTS:

- 1) *Purpose.* According to the author, "this is a simple measure that aims to have less people head into the DMV to update their license. The pandemic has shown us that in extraordinary times, Californians can renew from the safety of their own home. That we know of, there have been no issues with this. This bill just provides an additional three years for 25 to 70 before they have to renew all together."
- 2) *How do we renew driver's licenses now?* Approximately 30 million Californians hold a driver's license or identification card issued by DMV. Currently an individual must renew his or her driver's license every five years. While an original driver's license must be obtained at a DMV field office, DMV allows an individual to renew his or her license by mail up to two consecutive times, with every third renewal taking place in person. This process means an individual only needs to physically visit a DMV field office once every 15 years. When an individual renews his or her license in person, he or she must also complete a vision exam, on some occasions a written knowledge test, and have his or her photograph updated.

As with DMV vehicle registration renewals, driver's license renewal transactions can be conducted by mail or online. In 2018-2019, DMV renewed 6 million driver licenses, with approximately 1.9 million transactions occurring online or through the mail. Approximately 4.1 million renewal transactions were performed in a DMV field office. In total, DMV handled 20.2 million field office visits in 2019, with renewal transactions accounting for roughly 20%.

- 3) *REAL ID.* There has been an increase in field offices visits for driver's license renewals in recent years with the full implementation of the REAL ID Act. The REAL ID Act requires state-issued driver licenses and identification cards meet minimum identity verification and security standards in order for them to be accepted by the federal government for official purposes, such as accessing most federal facilities or boarding federally regulated commercial aircraft. Due to the COVID 19 pandemic, the federal government extended the deadline for compliance with REAL ID to October 1, 2021. After that date only REAL ID compliant driver licenses or ID cards, and other federally acceptable forms of ID (such as a passport) can be used for these purposes. Individuals initially applying for a REAL ID compliant driver license or ID card must visit a field

office and provide certain specified documents that DMV staff verify and scan. Therefore, individuals who would have been able to renew their driver's license or ID through the mail or on-line are visiting a DMV field office. As of January 2021, there are 9.6 million Californians with a REAL ID-compliant driver's license or ID. Once individuals been issued their REAL ID, they will be able to renew through the mail or online.

- 4) *REAL ID, COVID-19, and DMV wait times.* The increase in individuals visiting field office for a REAL ID compliant driver's licenses dramatically increased wait times at the DMV. In fact, at its peak, some individuals visiting certain offices could experience wait times of several hours. For example, average wait times for a non-appointment customer averaged 114 minutes in August 2018. After increased budget resources and implementation of new measures to change DMV operations, average wait times for a non-appointment customer was reduced to 37 minutes in December 2019.

In March 2020, the COVID-19 pandemic caused the shutdown of most state facilities. DMV field offices remained open to the public for limited appointments and walk-in, in-person transactions. Governor Gavin Newsom, through deceleration of a State of Emergency and a series of executive orders, authorized DMV to implement measures to allow more transactions to occur without having to visit a DMV filed office. For example, seniors over age 70 can now renew their driver's license online. This was in addition to a one-year extension for senior driver's license renewals for those expiring from March – December 2020. It is unclear if these options will remain after the pandemic ends, as the DMV notes that they are part of the COVID-19 emergency response. As of January 2021, DMV wait times for non-appointment customers averaged 22 minutes.

- 5) *SB 486 extends driver's licenses from five to eight years.* SB 486 would extend the period for a driver's license renewal from five years to eight years for persons between the ages of 25 and 70, with every other renewal taking place in person. An eight-year renewal period is allowed under the REAL ID Act, and roughly, 20 states allow eight-year renewals. This would mean that an individual could renew his or her license by mail or online one time after eight years. They would be required to renew in person at the DMV every 16 years.
- 6) *Does SB 486 save trips to the DMV?* Under SB 486, individuals would only be required to come into a DMV field office for an in-person renewal once every 16 years instead of once every 15 years. It is unclear if this would reduce the number of DMV field office visits or alleviate customer wait times. As noted, wait times have significantly decreased, including pre-COVID-19, and as

individuals come into compliance with REAL ID the number of in-person DMV visit should decrease.

- 7) *Is this the right time for change?* As noted, the DMV is currently managing the increased in-person visits from individuals trying to meet the deadline for a REAL ID-complaint driver's license or ID by October 1, 2021. Additionally, there have been numerous changes in the operation of the DMV during the COVID-19 emergency and it is unclear whether any of those will continue after the end of the pandemic. Changing the renewal schedule for driver's licenses from five to eight years would be a major undertaking for DMV, and coupled with all that is currently happening; this is likely not the right time.
- 8) *SB 486 creates two systems.* SB 486 would essentially create two systems for license renewals to be implemented and managed by the DMV. Those individuals under 25 years of age who obtain an original driver's license would remain on the five-year renewal cycle until they are 25, but would only be able to renew once online or by mail. For example, if an individual obtains a license at 17 years of age, they would be eligible to renew online or by mail at age 22 for five more years. However, at age 27, they would be required to come into a DMV field office after a total of ten years. At that time, they would obtain a driver's license on the eight-year renewal cycle.

It is also anticipated it would take many years to get current license holders onto the new renewal schedule. It is unclear what implications this would have for DMV administration and possible confusion for driver's license holders.

- 9) *Problems with the Motor Vehicle Account?*
When an individual obtains an original driver's license or a renewal, they are charged a \$38 fee. Those fees collected, plus vehicle registration and other fees, are deposited into the Motor Vehicle Account (MVA). The MVA has been fiscally constrained for a number of years and is projected to have a negative fund balance beginning in 2024-25. The DMV and the California Highway Patrol are predominately funded by the MVA. In 2018-19, the renewal of driver's licenses generated roughly \$216 million, of the total \$4 billion MVA revenues, with vehicle registration and other fees making up the total. The current system requires individuals to pay this \$38 fee every five years. SB 486 would extend this time to eight years. It is unclear what financial impact this would have on the MVA, but would likely result in a decrease in revenue.

RELATED LEGISLATION:

AB 1049 (Melendez, 2017) — would have extended the period of time before a driver's license expires from five years to eight years for persons between the ages of 25 and 70 and prohibited a licensee from renewing his or her driver's license by mail two consecutive times. AB 1049 failed passage in the Assembly Transportation Committee.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

None received.

OPPOSITION:

None received.

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

Bill No:	SB 551	Hearing Date:	4/27/2021
Author:	Stern		
Version:	4/19/2021 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: California Electric Vehicle Authority

DIGEST: This bill establishes the California Electric Vehicle Authority (EVA), within the office of the Governor, to coordinate activities among state agencies advancing electric vehicle (EV) and zero-emission charging infrastructure deployment as well as ensuring related equity, workforce and economic development, and other needs are addressed to grow and support the sector statewide, as specified.

ANALYSIS:

Existing law:

- 1) Establishes goals for deployment of zero emission vehicles (ZEV) through several executive orders:
- 2) Executive Order B-16-12 establishes a goal that the state's zero emission vehicle infrastructure supports one million ZEVs by 2020 and that 1.5 million zero emission vehicles be on the road by 2025.
- 3) Executive Order B-48-18 establishes a goal of 5 million ZEVs on the road by 2030, and that 200 hydrogen fueling stations and 250,000 electric vehicle charging stations, including 10,000 direct current fast chargers, be installed by 2025.
- 4) Executive Order N-79-20 establishes a goal that 100% of in-state sales of new passenger cars and trucks will be zero emission by 2035 and that 100% of medium- and heavy-duty vehicles be zero-emission by 2045 with drayage trucks meeting that goal by 2035.
- 5) Establishes the Alternative and Renewable Fuel and Vehicle Technology Program at the California Energy Commission (CEC) to support technologies that transform California's fuel and vehicle types to help attain the state's climate change policies.

- 6) Requires the California Air Resources Board (CARB) to adopt regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas (GHG) emissions reductions to ensure that the statewide GHG emissions are reduced to at least 40% below the statewide GHG emissions limit, as defined.
- 7) Authorizes the California Public Utilities Commission (CPUC) to approve investments by Investor Owned Utilities to accelerate widespread transportation electrification.

This bill:

- 1) Establishes the EVA, until January 1, 2029, within the office of the Governor, to coordinate activities among state agencies to advance electric vehicle and zero-emission charging infrastructure deployment, as specified.
- 2) Requires the EVA to develop funding and financing programs, as separately authorized by the Legislature, including but not limited to, incentives, rebates, tax credits, loan guarantees, reverse auctions, seed funds, pooled insurance funds, and matching grants to start early stage markets such as heavy-duty trucks, lower the cost of capital, unlock private capital, incorporate EV, and allow business models not captured by current programs, and address gaps in the market to accelerate the transition to a zero-emissions transportation system including, but not limited to:
 - a) Electric vehicle supply equipment (EVSE) deployment, as specified.
 - b) EV research, design, development, and manufacturing and supply chain support, as specified.
 - c) Public and private sector fleet procurement, as specified.
 - d) Funding dedicated to address both vehicle, infrastructure, and travel needs in low-income and disadvantaged communities, as well as reduction of pollution in low-income and disadvantaged communities.
 - e) Workforce development to ensure support for all segments, including utility upgrades, charger installation and maintenance, manufacturing, research and design, and related vocations.
- 3) Requires the EVA to build upon the Zero-Emission Vehicle Market Development Strategy to actively coordinate among state, regional, and local government entities to facilitate and accelerate the transition to a zero-emission transportation system including the following:

- a) Serve as the state coordinator of transportation electrification and zero-emission goods movement efforts to remove barriers and friction to accelerate transportation electrification, as specified.
 - b) Review existing state targets and propose needed updates across all agencies to reduce emissions and achieve carbon neutrality by 2045 and track progress on reaching those targets.
 - c) Ensure equity in access to zero-emissions mobility options in low-income and disadvantaged communities taking into consideration the approaches and best practices from the Disadvantaged Communities Advisory Group, as specified.
 - d) Establish electric-vehicle-related job training programs, safety certificates, and skilled jobs to help ensure sufficient skilled workers for high-quality jobs for the buildout of a clean transportation system.
 - e) Increase electric vehicle charging infrastructure building code requirements for new and existing buildings.
- 4) Requires the EVA, every two years, to publish on its internet website an update of progress on its activities and to notify the relevant policy committees of the Legislature of its progress.

COMMENTS:

- 1) *Purpose.* According to the author's office, "California currently leads the nation with over 800,000 zero-emission vehicles (ZEVs) on the road and over 70,000 electric vehicle chargers, with numerous manufacturers of light, medium and heavy-duty ZEVs employing thousands of workers. These manufacturing efforts have resulted in ZEVs being California's # 1 export in 2020. With the current health and economic crisis caused by COVID-19, California needs to help put people back to work, restart our economy, and clean up the air-- particularly in disadvantaged communities. Yet, we have a long way to go in achieving the state's goal of five million ZEVs by 2030. Currently, 29 state agencies work together with a variety of ZEV partners to develop ZEV policies, but this process can be slow, burdensome and inefficient."
- 2) *Strong Goals but Not Strong Results.* California's goals for GHG emission reductions and ZEV deployment lead the nation. Many different programs have been implemented by many different agencies to achieve these goals. Despite this the goals are unmet. Part of this may be due to the lack of a comprehensive strategy, inadequate programs and insufficient resources. But it may also be due to a structural problem in the organization of our ZEV efforts. Because the different ZEV programs are run by different agencies, responsibility for

meeting our goals is fragmented. For example, CARB has responsibility for vehicles, CEC has responsibility for charging infrastructure, and the CPUC also has responsibility for charging infrastructure in the service territories of the investor-owned utilities. Who is responsible for failing to meet our goals and who will develop and implement the strategy to reach them? This bill takes on the structural problem by establishing an office within the Governor's Office to coordinate our ZEV efforts.

- 3) *More Focus.* The Governor's Office of Business and Economic Development (GO-Biz) recently developed a ZEV Market Development Strategy so it is a fair question to ask whether GO-Biz should simply assume the responsibilities of the EVA. The author believes that the issue deserves more focus and urgency than GO-Biz can provide. GO-Biz has numerous responsibilities, including helping the Administration in its job growth, economic development and business assistance efforts across all industries. By having a stand-alone EVA whose sole job is ZEV deployment, the author hopes to provide the focus necessary to meet our goals. While this bill creates the necessary structure to coordinate efforts, it will not succeed without the buy-in and commitment from the highest levels of the Administration. Without that, the independent boards and secretaries of the effected agencies will go their own ways on their own times.
- 4) *Clarifying Amendment.* It may help to clarify the bill by adding that the goal is to meet the goals of the Executive Order. This can be accomplished by, on page 3, line 19 after "statewide", inserting "in order to achieve the goals of Executive Order N-79-20".
- 5) *The Other ZEV.* This bill is focused on EVs, which are battery powered vehicles. It seems clear that for light duty vehicles, EVs have won. Most major vehicle manufacturers in the United States have announced their support for EVs; similar fanfare for hydrogen powered light duty vehicles has been absent. While there has been little support for other types of ZEVs in the light duty market, the jury may still be out in the medium- and heavy-duty market. The author may wish to consider expanding this bill to also cover other ZEVs and/or to combine this effort with the other bills dealing with ZEV deployment.

RELATED LEGISLATION:

SB 726 (Gonzalez, 2021) — Requires development of a sustainable transportation strategy; reforms the Clean Transportation Program at the California Energy Commission. *This bill is pending in the Transportation Committee.*

SB 643 (Archuleta, 202) — Requires development of a hydrogen strategy. *This bill is pending in the Transportation Committee.*

SB 18 (Skinner, 2021) — Requires development of a green hydrogen strategy. *This bill is pending in the Environmental Quality Committee.*

SB 633 (Stern, 2020) — Established an EV authority. *This bill was amended late and not heard in the Assembly.*

SB 1183 (Hertzberg, 2020) — Required the California Energy Commission to establish in EV Infrastructure Council to develop an Electric Vehicle Charging Master Plan. *This bill was never heard in the Energy, Utilities and Communications committee.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

- 350 Sacramento
- 350 Silicon Valley
- American Lung Association in California
- Amply Power
- Audi of America, Inc., a Subsidiary of Volkswagen Group of America, INC.
- Bay Area Council
- Better World Group; the
- Breathe California Sacramento Region
- California Business Alliance for A Clean Economy
- Ceres
- City of Culver City
- City of Santa Monica
- City of Thousand Oaks
- Clean Power Alliance
- Climate Center; the
- Coalition for A Safe Environment
- Coltura
- Communities for A Better Environment
- Community Environmental Council
- County of Los Angeles

Cruise LLC
East Bay Community Energy (EBCE)
East Yard Communities for Environmental Justice
Elders Climate Action, Norcal and Social Chapters
Electric Auto Association
Electric Vehicle Charging Association
Elk Grove; City of
Engie Impact
Environment California
Environmental Defense Fund
Gm Cruise LLC
Harbor Trucking Association
Itron
Jobs to Move America
Local Government Commission
Los Angeles Business Council
Los Angeles Cleantech Incubator
Los Angeles; City of
Nextgen California
Nissan North America
Pacoima Beautiful
Pcs Energy
Port of Los Angeles
Sierra Business Council
Southern California Edison
The Lion Electric Co.
Ttsi - Total Transportation Services, INC.
Usc Schwarzenegger Institute
Valley Vision
Ventura County Regional Energy Alliance
Waymo

OPPOSITION:

None received.

-- END --

capable, collectively or singularly, of driving the vehicle without the active control or monitoring of a human operator.

- 3) Prohibits an AV from operating on public roads without a permit approved by the DMV. Specifies that a permit application must certify, among other things, that the AV's autonomous technology meets Federal Motor Vehicle Safety Standards (FMVSS) for the vehicle's model year and all other applicable safety standards and performance requirements set forth in state and federal law and the regulations.
- 4) Specifies that federal regulations promulgated by the National Highway Traffic Safety Administration (NHTSA) supersede the state's AV provisions in VEH §38750 et seq. when found to be in conflict with any other state law or regulation.
- 5) Requires all vehicles subject to registration to be equipped with a muffler, as specified, to prevent excessive or unusual noise.
- 6) Establishes various vehicle equipment requirements, including for windshields and windshield wipers, review mirror, and speedometer.
- 7) Requires all low-speed vehicles, also known as neighborhood electric vehicles, to meet FMVSS established for low-speed vehicles.
- 1) Requires each vehicle used for charter bus transportation to comply at all times with applicable FMVSS.

This bill:

- 1) Exempts electric vehicles from the requirement that all vehicles subject to registration to be equipped with a muffler.
- 2) Specifies that an autonomous vehicle that is designed to be operated exclusively and at all times by autonomous technology shall not be subject to any state law or regulation requiring the installation or maintenance of vehicle equipment that relates to or supports motor vehicle operation by a human driver, but is not necessary for operation by autonomous technology alone.

COMMENTS:

- 1) *Purpose.* According to the author, "California is the leader in advanced transportation and technology. However, our statutes and associated codes do

not always keep up with advancements in technology. Specifically, California's vehicle code equipment list has not been updated in decades and does not reflect advancements in electric and autonomous technologies. For example, all vehicles are currently required to be equipped with a muffler, even electric vehicles that do not have tailpipes and associated engine noise and emissions. SB 570 is a technical clean-up of California's vehicle code equipment list to update the equipment list to reflect advancements in all-electric (EV) and autonomous vehicles (AV) that are exclusively operated by AV technology."

- 2) *Background on AV permitting and levels of automation.* In 2012, SB 1298 (Padilla) established conditions for the operation of automated vehicles (AV) in California. In 2014, the DMV adopted regulations for the testing of AVs on public roads requiring a test driver and established an application and approval process for a testing permit. In early 2018, the DMV adopted regulations for testing AVs without a driver at the wheel and for deployment of AVs in California. DMV began accepting applications for these permits on April 1, 2018. So far, only one company has been authorized to deploy AVs, Nuro, but many others are in the testing phase: the DMV has issued 56 autonomous vehicle testing permits (with a driver) and six autonomous vehicle driverless testing permits.

SAE International (SAE) defines levels of automation, ranging from SAE Level 0 (no automation) to SAE Level 5 (full automation under all conditions). Level 2 vehicles may include partially automated features such as lane assist and adaptive cruise control but still require the full engagement of the driver. For Level 3 vehicles, the automated driving system performs all aspects of the dynamic driving task, but the driver must be ready to take control. Level 4 vehicles are fully automated in certain conditions (e.g. on freeways) while Level 5 vehicles would provide full-time automated performance of all aspects of the driving task in all conditions.

This bill applies to AVs that are designed to be operated exclusively and at all times by autonomous technology, rather than human drivers.

- 3) *One for the EVs.* Mufflers reduce the noise emitted by the exhaust of an internal combustion engine. Fully electric cars do not have exhaust pipes and are not outfitted with mufflers. In addition to dealing with AV vehicle equipment requirements, SB 570 would exempt electric vehicles from muffler requirements.
- 4) *Specificity needed.* This bill exempts vehicles that are designed to be operated exclusively and at all times by autonomous technology from vehicle equipment

requirements that support vehicle operation by a human driver. Taking a broad approach could create confusion where there is not consensus around exactly what equipment support operation by a human driver.

In order to remove provide clear vehicle equipment requirements, the author and committee may wish to amend the bill to instead list the specific pieces of equipment from which AVs would be exempt. The specific pieces of equipment that can be safely exempted may also differ depending on whether AVs are designed for cargo only or designed to carry passengers.

- 5) *Federal role and actions.* The National Highway Traffic Safety Administration (NHTSA) issues federal Motor Vehicle Safety Standards (FMVSS) and regulations to which manufacturers of motor vehicles and motor vehicle equipment must conform. So far, it has only begun the process of updating its regulations for AVs, though; it has issued a temporary exemption for Nuro's purpose-built AV.

The National Traffic and Motor Vehicle Safety Act, which created NHTSA, explicitly prohibits states from imposing vehicle safety requirements that are not identical to existing federal law. Specifically, the act states: "When a motor vehicle safety standard is in effect under this chapter, a State or a political subdivision may prescribe or continue in effect a standard applicable to the same aspect or performance of a motor vehicle or motor vehicle equipment only if the standard is identical to the standard prescribed under this chapter. A state may enforce a standard that is identical to a standard in this chapter."

Therefore, exempting AVs from state vehicle equipment requirements with an equivalent federal counterpart may be federally preempted. However, similar legislation was adopted in Arizona.

- 6) *No tickets yet.* California's vehicle code does require some equipment that does not make sense on EVs (mufflers) and perhaps on some AVs that cannot be operated by humans. However, despite almost half a million ZEVs on CA roads and millions of miles driven by AVs in the state, there are no reports of these vehicles being pulled over for noncompliance with state vehicle equipment requirements.
- 7) *Committee amendments.* In order to provide clarity about exactly which equipment SB 570 applies to, **the author and committee may wish to consider amending the bill to specify the state vehicle equipment requirements that shall not apply to AVs including (1) speedometer, (2) high-beam indicator, (3) windshield, (4) windshield wipers, (5) sideview mirrors (6) defroster (7)**

stoplamps shall be operated upon autonomous or remote activation (8) a notice specified in VEH § 24011.3 may be affixed to a vehicle's door jamb rather than a window or windshield.

- 8) *Arguments in support.* Nuro and Zoox, two companies that develop AV incapable of being operated by a human seated in the vehicle, are in support of the bill, along with the Coalition for Safe Autonomous Vehicles and Electrification. In support, Nuro writes that, “SB 570 would clean-up the state vehicle code to make clear that under state law, autonomous vehicles designed to never have a human driver, like Nuro's R2 vehicle, do not require equipment used only by human operators, such as mirrors, windshield wipers, or dashboard indicators. USDOT has found that items like mirrors and a windshield do not improve the safety of R2, which has no space for human occupants. This legislation provides certainty that specific equipment with no safety purpose in an innovative vehicle like Nuro's is not required under the state code.”

The grocery chain Ralphs/Kroger Co is also in support writing that, “Since August 2018, Kroger, in partnership with Nuro, has operated a popular, first-of-its-kind self-driving grocery delivery service in Scottsdale, AZ and then in Houston, TX.”

Similarly Zoox writes that is has “developed a vehicle from the ground-up to provide fully autonomous, all-electric mobility services. Our vehicle is designed to be operated by the automated driving system (ADS) at all times, with no human operation or intervention required inside the vehicle. We use multiple sensor modes (lidar, camera, radar) and redundant hardware and software stacks to ensure that our vehicles operate safely and smoothly. As such, Zoox vehicles, and future autonomous vehicles render the above-mentioned pieces of equipment obsolete for driving by an automated system.”

RELATED LEGISLATION:

SB 66 (Allen, 2021) — directs the secretary of the California State Transportation Agency to establish an advisory committee—the California Council on the Future of Transportation—to provide the Governor and Legislature with recommendations for changes in state policy to ensure California's leadership in autonomous, driverless and connected vehicle technology. *SB 66 is pending in the Senate Transportation Committee.*

SB 500 (Min, 2021) — prohibits, beginning January 1, 2027, the DMV from issuing original registrations for qualifying light duty AVs that are not zero

emission vehicles. *SB 500 is pending in the Senate Appropriations Committee.*

SB 59 (Allen, 2019) — directs the chair of the California Transportation Commission (CTC) to establish an advisory committee—the California Council on the Future of Transportation—to provide the Governor and Legislature with recommendations for changes in state policy to ensure California’s leadership in autonomous, driverless and connected vehicle technology. *Died in the Assembly Appropriations Committee*

SB 936 (Allen, 2018) — requires OPR to convene an Autonomous Vehicles Smart Planning Task Force. *This bill failed passage in the Senate.*

SB 802 (Skinner, 2017) — required OPR to convene an Emerging Vehicle Advisory Study Group to review and advise the Legislature on policies pertaining to new types of motor vehicles operating in California, including AVs. *Died in the Assembly Committee on Appropriations.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

Coalition for Safe Autonomous Vehicles and Electrification
Nuro, INC.
Ralphs Grocery Company
Zoox, INC.

OPPOSITION:

None received.

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

Bill No:	SB 583	Hearing Date:	4/27/2021
Author:	Newman		
Version:	3/22/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Amy Gilson		

SUBJECT: Elections: Voter registration: California New Motor Voter Program

DIGEST: This bill amends the California New Motor Voter Program (CNMVP) to require the Department of Motor Vehicles (DMV) to, when a person provides proof they are eligible to vote, transmit information to the Secretary of State for purposes of voter registration.

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 or on parole 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 Secretary of State (SOS) and the DMV to establish the CNMVP for the purpose of increasing opportunities for voter registration by any person who is qualified to vote.
- 4) Requires the Department of Motor Vehicles (DMV) to provide the opportunity to register to vote to individuals who apply for, renew, or change an address for a driver's license or personal identification card issued by the DMV.
- 5) Requires, pursuant to the CNMVP, that each eligible voter be registered to vote by default when they submit 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).

- 6) Requires a voter registration agency (including the DMV) that allows a person to apply online for service or assistance, or submit a recertification, renewal, or change of address form relating to the service or assistance online, to implement a process and infrastructure that allows a person to electronically submit a voter preference form and an affidavit of voter registration, as specified.
- 7) Requires a person that indicates on their electronic voter preference form that they would like to register to vote, to be informed that they may register to vote through one of the following options, if applicable:
 - a) Submitting an affidavit of voter registration electronically on the SOS's Internet Web site pursuant to existing law;
 - b) Completing an affidavit of voter registration electronically on the SOS's Internet Web site, printing a hard copy of the completed affidavit, and mailing or delivering the hard copy of the completed affidavit to the SOS or the appropriate county elections official pursuant to existing law;
 - c) Obtaining a voter registration card on a county's Internet Web site and printing, completing, signing, and returning the card to the county's elections official pursuant to existing law; or,
 - d) Requesting a voter registration card to be mailed to the person pursuant to existing law and completing, signing, and returning the card as instructed.

This bill:

- 1) Keeps the current CNMVP for individuals who are not currently registered to vote in California and whose information is not subject to transmission to the SOS and who either submits an application for a driver's license or identification or notifies the DMV of a change of address.
- 2) Provides that if at the time of the transaction with the DMV, the person provides a document that demonstrates the person is not a United States citizen, the person shall not be offered the opportunity to attest that the person meets all voter eligibility requirements and the DMV shall not electronically provide records of that person to the SOS.

- 3) Requires the DMV, in consultation with the SOS, to establish a schedule and method for the DMV to electronically provide records to the SOS, as specified. Specifically:
- a) Provides that this method of electronic transfer of records applies to individuals who meets all of the following conditions:
 - i) The person is not currently registered to vote in California.
 - ii) The person submits an application for a driver's license or identification card or notifies the DMV of a change of address, as specified.
 - iii) The person provides documentation demonstrating United States citizenship and that the person is of an eligible age to register or preregister to vote during the person's transaction with the DMV.
 - b) Requires the DMV to provide the SOS with specified information about the person, in a manner and method to be determined by the DMV in consultation with the SOS.
 - c) Provides that if a person who is currently registered to vote in California submits an application for a driver's license, identification card, or a change of address, and indicates a different name or address from that contained in the person's voter registration record, then the DMV shall provide to the SOS, in a manner and method to be determined by the DMV in consultation with the SOS, notice of the person's changed name or address.
 - d) Prohibits the DMV from providing records electronically that contain a home address designated as confidential, as specified.
 - e) Provides the provisions related to the transfer of records between the DMV and the SOS shall not be construed to amend the substantive qualifications for voter registration in California or to require documentary proof of citizenship for voter registration.
 - f) Provides the provisions related to the transfer of records between the DMV and the SOS shall not be construed to provide a retroactive basis to register individuals to vote or to update voter registration information based on information in the possession of the DMV before the person's transaction.
- 4) Changes the maximum imprisonment penalty from one year to 364 days for 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 prescribed in existing law, as specified.

- 5) Requires county elections officials to send to the person's address of record, by nonforwardable mail, a notice that the person has been registered or preregistered to vote, as applicable, when a person whose information was transmitted by the DMV becomes registered or preregistered to vote, as specified.
- 6) Provides that the notice include a postage paid preaddressed return form by which the person may decline to be registered or preregistered, designate a party preference, or opt to be a permanent vote by mail voter.
- 7) Requires the SOS and the DMV to develop procedures to ensure that a driver's license, identification card, or other identifying information submitted by an applicant pursuant to the CNMVP is sufficiently evaluated to determine whether the applicant is eligible to register or to preregister to vote and to protect against future erroneous registrations or preregistrations.
- 8) Provides that if it becomes known to the SOS or the DMV that either the SOS or DMV, or both, committed an error resulting in the registration or preregistration of an ineligible person pursuant to the CNMVP, and unless there is clear and convincing evidence that the person has violated a provision of existing law, the SOS or DMV shall do both of the following:
 - a) Immediately contact the person to inform the person of the erroneous registration or preregistration.
 - b) Provide the person a letter asserting that the SOS or the DMV, or both, was responsible for the erroneous registration or preregistration, as specified.
- 9) Requires this bill become operative on January 1, 2023. Provides that the SOS may, commencing January 1, 2022, perform administrative actions necessary to implement the bill's provisions.

COMMENTS:

- 1) *Purpose.* According to the author, "This bill builds on California's New Motor Voter system and recent REAL ID compliance-driven upgrades to take the next step to streamline voter registration at the DMV. SB 583 adopts a back-end automatic voter registration (AVR) system at the DMV. Colorado and Oregon

use back-end AVR, Nevada, and Alaska have similar systems, and Massachusetts has authorized back-end AVR. Back-end AVR is the most efficient, effective, and secure system for registering new voters and updating existing registrations. In a back-end AVR system, the DMV relies on data collection already in place for agency transactions to securely and seamlessly verify voter registration eligibility. Any unregistered eligible adult who provides the DMV with a document indicating citizenship will be automatically added to the rolls, while any existing registrant will automatically have address or name information updated based on information provided to the DMV. By relying as much as possible on information already being presented, verified, and recorded in the course of an agency transaction, California can create more accurate and complete voter rolls, maximize protections for non-citizens, and minimize human error.”

- 2) *National Voter Registration Act*. In 1993, the federal government enacted the National Voter Registration Act (NVRA), commonly referred to as the "motor voter" law, 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 or a renewal of a driver's license or an identification card and when a change of address transactions takes place.
- 3) *CA New Motor Voter Program and this bill*. In 2015, the Legislature passed and Governor Brown signed AB 1461 (Gonzalez, Chapter 729, Statutes of 2015), which provides for the automatic voter registration of every person who submits an application for a driver's license or state identification card (DL/ID), or provides DMV with a change of address, and who attests that they meet all voter eligibility requirements, unless that person opts out. In April 2018, California officially launched the CNMVP.

This bill would create a new process for voter registration under the CNMVP. In the current “front-end” system, DMV customers who attest they are eligible to vote automatically have their information transferred to the SOS, unless they opt-out. SB 583 instead requires DMV to implement a new “back-end” system, whereby DMV customers who provide proof of U.S. citizenship (such as a U.S. passport or birth certificate) during their transaction automatically have their information transferred to the SOS.

Under the provisions of SB 583, once the Secretary of State receives information on a demonstrably eligible DMV customer, the county registrar of voters would mail the newly registered voter a notice of registration, as already required under the National Voter Registration Act. This mailed notice will

provide the person the opportunity to decline registration, choose a party affiliation, select a language preference, or choose to vote by mail (in non-Voters' Choice Act counties), either through a prepaid return postcard or online.

SB 583 would also maintain the current front-end system as an option for any customer whose documents do not confirm citizenship or non-citizenship.

- 4) *Implementation and issues.* Since the launch of the CNMVP in 2018, DMV faced a number of challenges related to DMV transactions and voter registration. As one example, in September 2018, DMV reported 23,000 registration errors that stemmed from DMV technicians working with multiple screens and registration information being improperly merged. According to DMV, 4,600 individuals did not complete a voter registration affidavit, but had their information sent to the SOS.

In response to 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 resulting in the implementation of quality assurance process to ensure the timely release of records from DMV to SOS and establishing data governance policies including data retention and sharing.

Implementing the current system has been a challenge. Creating a new automatic back-end system, that also maintains the existing front-end system in limited instances, could be a challenge as well. DMV is also in the process modernizing its underlying IT system, which creates another layer of complexity for any additional IT projects the DMV might take on, including creating a back-end voter registration system.

- 5) *Determining citizenship.* The back-end system would transfer the responsibility of determining citizenship from the DMV customer to the DMV, which would ensure non-citizens do not mistakenly represent their status. However, under SB 583, it is unclear exactly how the DMV would determine citizenship status, leaving potential room for human (or machine) error on the back-end.
- 6) *REAL ID and DMV transaction time.* Individuals seeking REAL ID compliant driver licenses and ID cards must visit a field office and provide certain specified documents, including U.S. passport, birth certificate, or other specified identity document, that DMV staff verify and scan. SB 583 would capitalize on the identity documentation required by REAL ID to also determine citizenship for purposes of voter registration.

DMV implementation of the federal REAL ID Act led to significant wait times and increased workload at DMV field offices as these transactions take longer to process than noncompliant transactions. Since peak wait times in 2018, DMV has made significant changes to their processes to move transactions that can be done online out of the field office and cut transaction time at the field office. It is possible that doing voter registration on the back-end will decrease DMV transaction times, but unclear by how much if at all. Much of DMV's current process has migrated online- DMV customers are encouraged to fill out their DL/ID application, including motor voter questions, online prior to coming to the field office or may be able to skip the field office entirely.

- 9) *Language preference.* The current voter registration form also lets customers choose their preference for receiving voting materials in a language other than English. In order to ensure voters registered through the back-end process would also have this opportunity, ***the author and committee may wish to consider amending the bill to allow people to select a language preference for election materials on the post-transaction mailer and require that these mailers be translated into the minority languages for the county.***
- 10) *Operative Date.* With the complexities involved with the DMV and the SOS, it is likely that the operative date of January 1, 2023 is ambitious and may need to be pushed back. Ample time will likely be needed to improve each department's internal system to accommodate the new procedures in SB 583, including potentially upgrading the technological abilities of each system to receive and transmit data between the DMV and the SOS. Additionally, time will also be needed to design, develop, and implement this new system as well as time to perform vital system, integration, and performance testing of the new application. Should the bill move forward, the author may wish to consider these factors in determining the bill's implementation date.
- 11) *Double Referral.* This bill was heard by the Senate Elections and Constitutional Amendments Committee on April 12, 2021 and passed 4-1.
- 12) *Arguments in support.* A group of community empowerment organizations, including Orange County Civic Engagement Table, writes in support, "Outdated voting systems disproportionately hurt eligible voters who work multiple jobs, those in BIPOC or immigrant communities, those who have recently moved and/or have to move frequently, formerly incarcerated individuals who've recently had their voting rights restored, and those living in rural areas. There are still an estimated 4.6 million adult U.S. citizens in California who are eligible to register to vote, but remain unregistered. We can do better..." They identify a number of benefits to the back-end AVR system

this bill would require including that

- a) ...In a back-end, opt-out system, an unregistered adult who provides proof of U.S. citizenship (such as a passport) during a DMV transaction will automatically have their information passed to the Secretary of State... A person would not need to affirmatively request registration or answer a citizenship question...
- b) Upgrading California's current system can also better prevent human error, which can have catastrophic consequences for ineligible individuals... back-end AVR significantly improves protections for noncitizens by relying on verified documents to establish citizenship or noncitizenship...
- c) Evidence shows that many formerly incarcerated individuals unnecessarily decline voter registration when offered, because they are uncertain of their rights. A back-end system avoids this issue, by automatically registering eligible individuals who apply for a license (including anyone who is not currently incarcerated)...
- d) Back-end AVR will result in a cost savings of up to \$9 million dollars each election cycle and shorter transaction times at the DMV... and be expanded beyond the DMV to other state agencies.

RELATED LEGISLATION:

AB 796 (Berman, 2021) — would, among other provisions, make various changes to the timing and transfer of voter information data from the DMV to SOS. *AB 796 is pending consideration in the Assembly Committee on Transportation.*

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. *AB 1137 is pending consideration in the Assembly Appropriations Committee.*

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 Committee with a vote of 1-3.

SB 511 (Moorlach of 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 the Senate Committee on Transportation with a vote of 4-5.

AB 1461 (Gonzalez, Chapter 729, Statutes of 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: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

Orange County Civic Engagement Table (Sponsor)
Center for Secure and Modern Elections
ACCE Action
Advancement Project California
AHRI for Justice
Alianza Coachella Valley
Alliance San Diego
Bay Rising
California Calls
California Environmental Justice Alliance (CEJA)
California Native Vote Project
Centro Inmigrante
Communities For A Better Environment
Communities for a New California Education Fund
Filipino Advocates for Justice
Fresno Barrios Unidos
Future Leaders of America
Hmong Innovating Politics
Inland Coalition for Immigrant Justice
Inland Congregations United for Change
Inland Empire Immigrant Youth Collective
Inland Empire United
InnerCity Struggle
Khmer Girls in Action
LA Voice
Legacy LA
LOUD For Tomorrow
Oakland Kids First
Orange County Asian and Pacific Islander Community Alliance

Orange County Civic Engagement Table
Orange County Congregation Community Organization
Orange County Environmental Justice
Orange County Voter Information Project
Partnership for the Advancement of New Americans
Power California
Rainbow Pride Youth Alliance
Reach Out
Resilience Orange County
RYSE Center
San Francisco Rising
Sigma Beta Xi Inc. SBX Youth & Family Services
Starting Over Inc.
VietRISE

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	SB 589	Hearing Date:	4/27/2021
Author:	Hueso		
Version:	3/25/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Amy Gilson		

SUBJECT: Air pollution: alternative vehicles and vehicle infrastructure

DIGEST: This bill expands the types of projects eligible for funding from the Alternative and Renewable Fuel and Vehicle Technology Program (now known as the Clean Transportation Program, or CTP) to include projects that develop in-state supply chains and the workforce for raw materials and components needed for zero-emission vehicle (ZEV) manufacturing. This bill expands the groups the California Energy Commission (CEC) must consult as part of CTP workforce development efforts to include the California Conservation Corps and California Community Colleges. This bill also incorporates workforce development as a resource the CEC must evaluate part of its regular assessment of resources needed to meet state ZEV deployment goals.

ANALYSIS:

Existing law:

- 1) Establishes the CTP at the CEC to fund projects that develop and deploy technology and alternative and renewable fuels in the marketplace.
- 2) In administering the CTP, the CEC is required to provide preferences to projects meeting any of twelve criteria:
 - a) helps transition from the use of petroleum fuels
 - b) consistency with climate change policy
 - c) reduces air pollutants
 - d) decreases the discharge of water pollutants
 - e) does not adversely impact the sustainability of the state's natural resources
 - f) provides nonstate matching funds
 - g) promotes California-based firms and jobs
 - h) Uses existing or proposed fuel infrastructure
 - i) Reduces GHG emissions by at least 10%

- j) Uses alternative fuel blends of at least 20%
 - k) Drives new technology
 - l) Transitions workers to alternative and renewable fuel and vehicle technology sectors
- 3) Limits CTP funding only to projects that meet any of the following 13 criteria:
- a) develop and improve alternative and renewable low-carbon fuels
 - b) optimize alternative and renewable fuels for existing engine technologies
 - c) produce alternative and renewable low-carbon fuels
 - d) decrease the impact of the alternative and renewable fuel life-cycle carbon footprint
 - e) develop alternative and renewable fuel infrastructure
 - f) develop and improve technology for all vehicles that provide better fuel efficiency and lower GHG emissions
 - g) accelerate the commercialization of alternative and renewable fuels
 - h) retrofit medium- and heavy-duty vehicles for higher fuel efficiency
 - i) promote alternative and renewable fuel infrastructure development
 - j) workforce training programs
 - k) block grants and incentive programs administered by public entities and not-for-profit technology entities
 - l) assessments performed by state agencies to determine the impacts of increasing the use of low-carbon transportation fuels and technologies
 - m) funding for homeowners to offset costs to supply plug-in electric vehicles
- 4) Requires the CEC to collaborate with the following entities to implement the workforce development components of the CTP: the California Workforce Development Board (CWDB), the Employment Training Panel, the Employment Development Department, and the Division of Apprenticeship Standards.
- 5) Requires the CEC to conduct a statewide assessment of the electric vehicle (EV) charging infrastructure needed to support the levels of electric vehicle adoption required for the state to meet its goals of putting at least five million ZEV on California roads by 2030, and of reducing emissions of greenhouse gases to 40 percent below 1990 levels by 2030.
- 6) Specifies that the CEC's statewide assessment of EV charging infrastructure must be updated every two years and must consider all needed charging infrastructure, including, but not limited to, chargers, make-ready electrical equipment, and supporting hardware and software, all vehicle categories, road, highway, and off-road electrification, port and airport electrification, and other

programs to accelerate the adoption of EVs to meet the state's EV deployment goals. This assessment shall examine existing and future infrastructure needs throughout California, including in low-income communities.

This bill:

- 1) Expands the types of projects that are eligible for funding from the CTP to include projects, including workforce development projects, which develop in-state production of raw materials and the manufacturing supply chain for ZEV components.
- 2) Expands the entities with which the CEC must consult regarding CTP workforce development activities to include the community colleges, the California Conservation Corps, and local conservation corps.
- 3) Requires the CEC to evaluate the workforce development and training resources needed to meet the state's ZEV deployment goals as part of the CEC's regular assessment of the resources needed to meet ZEV transportation goals. These workforce development and training resources must include, but are not limited to, qualified apprenticeships, on-the-job training programs, and other training opportunities that build career pipelines and provide long-term employment in disadvantaged communities.

COMMENTS:

- 1) *Purpose.* According to the author, "California has ambitious climate goals, which include the goal of putting at least five million zero emissions vehicles on the state's roads by 2030. As California seeks to accelerate the deployment of clean vehicles and fueling infrastructure, statewide assessments of resources needed to meet the state's ZEV goals do not currently include an assessment of workforce development needs. Despite its absence from statewide evaluations, local governments and clean transportation companies have identified new job pathways and training needs to support in-state development and deployment of clean transportation options.

SB 589 is needed to better integrate workforce development into California's ZEV plans and ensure that organizations working to help grow an inclusive, diverse clean transportation sector are included in the state's plans. The clean transportation sector has become one of California's biggest exports, and as we create new incentives to grow and accelerate ZEV deployment, we must ensure that those efforts incentivize diversity. Just as our investments in clean

transportation technology and infrastructure must be deployed in diverse communities, our investments in the workers for the infrastructure must be similarly diversified. SB 589 is a step towards building the clean transportation job pathways that will help grow our economy just and equitably.”

- 2) *California's clean transportation goals and the CTP.* In 2017, the Legislature passed SB 2127 (Ting, Chapter 365, Statutes of 2017), which codified California's goal of putting at least five million ZEVs on California roads by 2030 and required the CEC to conduct an assessment every two years of the infrastructure resources needed to meet the state's ZEV deployment goals. In September 2020, Governor Newsom signed Executive Order N-79-20, which established a goal that 100 percent of in-state sales of new passenger cars and trucks will be ZEVs by 2035. To support this goal, the Governor's proposed budget includes an extension of the vehicle registration fees that fund the CTP and an additional \$1 billion in funding for the CTP through the securitization of future revenues. This increase in funding is intended to accelerate deployment of ZEV infrastructure.
- 3) *Including workforce development needs in the AB 2127 EV Charging Infrastructure Assessment.* Existing law requires the CEC to conduct an assessment every two years of the infrastructure needed to meet California's ZEV deployment goals. Under existing law, this assessment must consider all the charging infrastructure and other technologies needed to meet these goals.

The 2021 assessment included a discussion of the workforce needed to support charging infrastructure deployment. It generally covered the work already ongoing at state agencies to ensure a robust workforce prepared to support ZEV infrastructure deployment and concluded that, “the state should evaluate the workforce needs for EV infrastructure in terms of workload capacity, training and certification, job quality, and regional differences... the state should also evaluate this workforce for applications beyond charging infrastructure that are relevant to implementing the above suite of aggressive zero-emissions measures.

This bill would require the CEC to also evaluate workforce development and training needs as part of the CEC's regular assessment of the resources needed to meet the state's ZEV deployment goals.

- 4) *CEC consultation with the community colleges and conservation corps.* While the CEC has long consulted with community colleges, this bill codifies consultation with the community colleges and requires the CEC to consult with the California Conservation Corps as part of its CTP workforce development

efforts. Expanding the consultative workforce entities to include the community colleges and Conservation Corps aims to support efforts to develop workforce development programs that help diversify the ZEV transportation sector and create early career pathways to clean transportation jobs in communities that have not historically had significant exposure to well-paid jobs that support climate goals. Incorporation of the Conservation Corps aligns with state and federal efforts to expand the corps' role in workforce development and climate change efforts.

- 5) *Adding to the list of projects eligible for funding from CTP.* This bill specifically makes projects that develop an in-state supply of the raw materials and components needed for ZEVs eligible for funding through the CTP. This bill also clarifies that these projects may include workforce development projects. These changes would enable projects supporting the development of a "Lithium Valley" in California to compete for CTP funds, which could help grow the clean transportation economy in California by providing a domestic supply chain for lithium from the Salton Sea and battery electric vehicle components. Several companies within the Imperial Valley are working with local community colleges and other organizations to develop high-road education and training courses to build the workforce needed to support geothermal lithium extraction in the Salton Sea area. This bill would make those high-road partnerships eligible for support from the CTP.
- 4) *Double Referral.* This bill was heard by the Senate Energy, Utilities, and Communication Committee on April 12, 2021 and passed 14-0.

RELATED LEGISLATION:

SB 726 (Gonzalez, 2021) — makes various modifications to the CTP, including reducing the types of projects that the CEC must prioritize when making grants. The bill would remove specified workforce development programs from mandatory consideration for funding opportunities. *This bill is pending in the Senate Transportation Committee.*

AB 111 (Boerner Horvath, 2021) — makes various changes to existing law to encourage the deployment of zero-emission medium and heavy-duty vehicles and requires the CEC to include an assessment of hydrogen refueling infrastructure in its regular assessment of ZEV resources. *This bill is pending in the Assembly Transportation Committee.*

AB 1657 (E. Garcia, Chapter 271, Statutes of 2020) — authorized the CEC to convene a blue ribbon commission on lithium extraction in California and submit a

report to the Legislature by October 1, 2022, which must include findings and recommendations from the blue ribbon commission regarding actions to develop lithium extraction from geothermal brines.

AB 2127 (Ting, Chapter 365, Statutes of 2017) — required the CEC to conduct a statewide assessment of the electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption required for the state to meet its goals of putting at least 5 million zero-emission vehicles on California roads by 2030 and of reducing emissions of greenhouse gases to 40 percent below 1990 levels by 2030.

AB 1697 (Bonilla, Chapter 446, Statutes of 2016) — added prioritization criteria for the CTP to prioritize projects that transition workers to the alternative and renewable fuel and vehicle technology sector. The bill also added criteria for workforce development programs eligible for CTP funding.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

California Association of Local Conservation Corps
California Hydrogen Business Council
California Strategies & Advocacy, LLC
Cerritos Community College
Energy Source

OPPOSITION:

None received.

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

Bill No:	SB 629	Hearing Date:	4/27/2021
Author:	Roth		
Version:	2/19/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Melissa White		

SUBJECT: Identification cards

DIGEST: This bill expands the eligibility criteria for a state prison inmate to be issued a state identification (ID) card upon release.

ANALYSIS:

Existing law:

- 1) Requires the Department of Corrections and Rehabilitation (CDCR) and the Department of Motor Vehicles (DMV) to ensure that all eligible inmates released from state prisons have valid ID cards.
- 2) Defines “eligible inmate” to mean an inmate who meets all of the following:
 - a) The inmate has previously held a California driver’s license or ID card.
 - b) The inmate has a usable photo on file with the DMV that is not more than 10 years old.
 - c) The inmate has no outstanding fees due for a prior California ID card.
 - d) The inmate has provided, and the DMV has verified, the inmate’s true full name, date of birth, social security number, and legal presence in the U.S.
- 3) Requires a \$33 fee for the application of an ID card, except as specified.
- 4) Requires \$8 fee for a replacement ID card issued to an eligible inmate upon release from a state or federal correctional facility, or a county jail facility.

This bill:

- 1) Allows eligible inmates, as defined, to apply for both an original and a replacement ID card.
- 2) Adds requirements for eligible inmates to obtain an original or a replacement ID card, including a usable photo and California residency.
- 3) Requires a new photo be taken if a photo is deemed unusable.
- 4) When applying for an original ID card, to be an “eligible inmate” an individual must meet all of the requirements for a replacement ID, and additionally:
 - a) The inmate must sign and verify their application under the penalty of perjury.
 - b) The inmate must have a usable photo taken.
 - c) The inmate must provide a legible print of their thumb or finger.
 - d) The inmate must provide acceptable proof of their personal information, as specified, and that information is subject to verification by DMV.
- 5) Requires an \$8 fee for an original ID card issued to an eligible inmate upon release from a state prison, and provides the DMV with a verification of their eligibility, including a signature of an official from the state facility.

COMMENTS:

- 1) *Purpose.* According to the author, “nearly every individual released from prison encounters extreme barriers to successful reentry. Without any valid form of identification, the barriers only increase, as it is almost impossible to apply for jobs, seek medical care, receive housing assistance, or open a bank account. Between July 2019 and June 2020, there were 4,120 individuals that were released from state prison without a valid ID because current law automatically made them ineligible for the CAL-ID program for not having a usable photo on file with the DMV that was taken within the last 10 years. Many of these individuals were elderly or served lengthy sentences, which presented even greater challenges when navigating the already complex network of social services and, otherwise, easily accessible resources. As we continue to release inmates from our state prisons, too many of them are left stranded from these essential benefits. SB 629 addresses this discrepancy by

eliminating the requirement that an inmate seeking a valid CAL-ID must have a useable photo on file with the DMV that is no more than 10 years old, allowing a new photo to be taken before an inmate is set to be released, and extending the reduced fee of \$8 for inmates to also include original identification cards. These simple changes will have a substantial impact on increasing inmate participation in the CAL-ID program and improving access to fundamental services paramount to successful community reintegration.”

- 2) *CAL-ID Program.* Originally, CDCR’s CAL-ID program provided a valid California ID card to eligible inmates upon their release from prison, and the program was located at 13 prisons designated as Reentry Hub institutions. AB 2308 (Stone), Chapter 607, Statutes of 2014, expanded the program, requiring CDCR and DMV to ensure that all eligible inmates released from state prison have a valid ID card. An eligible inmate must be within 13 months of release; have no active felony hold, warrant, or detainer that may result in additional incarceration; and have no active Immigration and Customs Enforcement hold, which would result in deportation.

Specifically, to qualify for the state ID, eligible inmates must have previously held a California Driver’s license or ID card, have a usable photo on file with the DMV that is not more than 10 years old, and have no outstanding fees due to the DMV. Additionally, the eligible inmate must provide, and the DMV must be able to verify personal information, including their true name, date of birth, social security number, and legal presence in the United States.

As noted, the current program focuses on inmates who have previously held a California ID or driver’s license and have a usable photo on file taken within the past ten years. Additionally, there is a reduced fee of \$8 for each ID. Between July 2019 and June 2020, CDCR submitted 16,654 applications to DMV for individuals that were eligible to receive an ID card. DMV approved and issued over 13,500 ID cards.

- 3) *Expand CAL-ID to cover more inmates.* This bill expands eligibility for the CAL-ID program to include those inmates that have not previously held a California ID or driver’s license or do not have a usable photo on file with the DMV that is no more than ten years old. The bill details eligibility requirements for a new ID card, similar to a replacement ID, but additionally requires the inmate to sign and verify their application under the penalty of perjury, have a usable photo taken, and provide a legible thumbprint.

The expansion of the program depends on the ability for CDCR and DMV to facilitate taking new or replacement photos and thumbprints for inmates.

According to CDCR, “CDCR and DMV are collaborating on an information technology solution so that CDCR can take DMV-approved photos on DMV-approved devices. This change will allow CDCR to assist not only with obtaining replacement ID cards, but will also allow incarcerated individuals who have not previously had a DMV ID to obtain one if they can produce the necessary documentation.”

The bill also extends the reduced \$8 fee for the application for an original ID.

- 4) *Why is the expanded program needed?* Writing in support, the American Civil Liberties Union of California states, “nearly every individual released from prison encounters extreme barriers to successful reentry. Without any valid form of identification, the barriers only increase, as it is almost impossible to apply for jobs, seek medical care, receive housing assistance, or open a bank account. SB 629 would eliminate the requirement that an incarcerated person seeking a valid CAL-ID must have a useable photo on file with the DMV that is no more than 10 years old, allow a new photo to be taken, and extend the reduced fee of \$8 to original identification cards. These simple changes will have a substantial impact, increasing the number of incarcerated individuals eligible to participate in the CAL-ID program upon their release thereby allowing access to fundamental services paramount to successful community reintegration.”
- 5) *Double Referral.* This bill was approved by the Senate Public Safety Committee on April 6, 2021, by a vote of 5-0.

RELATED LEGISLATION:

AB 717 (Stone, 2021) — Would recast and expand provisions of the CAL-ID program, including requiring DMV to provide a person incarcerated in CDCR with a driver’s license or valid California ID card. *AB 717 is pending in Assembly Appropriations.*

AB 2835 (Stone, 2020) — Would have expanded the CAL-ID program to include original and renewal California IDs, Drivers Licenses, and Real IDs. *AB 2835 was not heard in Assembly Public Safety due to COVID-19 bill limitations.*

AB 790 (Stone, Chapter 348, Statutes of 2017) — Provided for a reduced fee of \$8 for a replacement identification card issued to an eligible inmate, as defined, upon release from a state or federal correctional facility or a county jail facility, and to an eligible patient, as defined, treated in a facility of the State Department of State Hospitals.

AB 2308 (Stone, Chapter 607, Statutes of 2014) — Expanded the CAL-ID program in an attempt to ensure that all people being released from state prisons would be released with ID. To be eligible for program, a person must have previously held a California ID, have a recognizable photo on file with the DMV from within the last 10 years, possess a DMV-verifiable social security number, birth date, and proof of legal presence in the United States, and must not owe any fines or fees.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

California Department of Corrections and Rehabilitation (sponsor)
American Civil Liberties Union of California
California Attorneys for Criminal Justice
California Catholic Conference

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	SB 643	Hearing Date:	4/27/2021
Author:	Archuleta		
Version:	4/13/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Fuel cell electric vehicle fueling infrastructure and fuel production:
working group: statewide assessment

DIGEST: This bill requires the California Air Resources Board (ARB) to create a working group to prepare a statewide assessment of the fuel cell electric vehicle (FCEV) fueling infrastructure and fuel production needed to support the adoption of zero-emission trucks, buses, and off-road vehicles.

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. (Health and Safety Code (HSC) §39500 et seq.)
- 2) Establishes the Alternative and Renewable Fuels and Vehicle Technology Program (Clean Transportation Program, or CTP), to be administered by the California Energy Resources Conservation and Development Commission (CEC), to develop and deploy technologies and alternative and renewable fuels to help attain the state's climate change policies. (HSC § 44272)
- 3) Requires ARB to annually report on the need for additional hydrogen fueling stations for the subsequent three years.
- 4) Requires the California Energy Commission and ARB to jointly review and report on the progress towards establishing a hydrogen-fueling network that meets the vehicle needs of the state.

This bill:

- 1) Requires ARB, in consultation with CEC and the California Public Utilities Commission (CPUC), to create a working group to prepare a bi-annual statewide assessment of the FCEV fueling infrastructure and fuel production needed to support the adoption of zero-emission trucks, buses, and off-road vehicles at levels necessary for the state to meet specified goals and requirements beginning December 31, 2023 for six years.
- 2) Requires ARB to convene the working group, seek public engagement on the statewide assessment, and appoint the following members to the working group:
 - a) Three members from ARB.
 - b) Two members from CEC
 - c) Two members from CPUC.
- 3) The assessment shall:
 - a) Consider all necessary fuel and fueling production and distribution infrastructure, including, but not limited to, the dispensing equipment, distribution equipment, production equipment, storage equipment, and supporting hardware and software, all vehicle categories, road, highway, and off-road electrification, port and airport electrification, and other programs.
 - b) Examine existing and future fuel and fueling production and distribution infrastructure needs throughout the state, including in low-income communities.
 - c) List synergies and estimate the potential for hydrogen to contribute to emissions reductions across sectors, including an evaluation of the ability of hydrogen to enable a more renewable grid, provide grid services, decarbonize hard-to-electrify industries and remote locations, contribute to microgrids, and improve energy resilience.

COMMENTS:

- 1) *Purpose.* According to the author, "To meet our climate goals, California needs to adequately plan and implement hydrogen technologies. This bill tasks the Air Resources Board with creating a working group to be made up of professionals from our State departments and the hydrogen industry to assess, among other

things, the hydrogen infrastructure required to meet our air pollution goals.”

- 2) *Fuel Cell Technology.* Fuel cells use an electrochemical process to convert the chemical energy in a fuel (such as hydrogen) to electricity. Fuel cells generate electricity without combusting the fuel and therefore contribute to emissions reductions in greenhouse gases, NO_x, and PM_{2.5}. In transportation, fuel cell technology is found in the light-, medium-, and heavy-duty vehicle sectors, as well as in ships and airplanes. While FCEVs make up a very small proportion of ZEVs in the state, hydrogen FCEVs may have a market in the medium- and heavy-duty trucking sector.
- 3) *Existing Efforts.* Recent state goals such as the Governor’s Executive Orders and ARB’s Advanced Clean Trucks Regulation are placing more emphasis and focus on converting the medium- and heavy-duty fleets into ZEVs. ARB’s draft 2020 Mobile Source Strategy recognizes this direction and calls for the deployment of approximately 1.4 million medium- and heavy-duty ZEVs in California by 2045. To complement and support these goals, investment in medium- and heavy-duty ZEV infrastructure will be necessary. The administration estimates that more than \$2 billion in additional public funding is needed to deploy heavy-duty vehicle infrastructure at a scale to meet the state’s goals.¹ CEC, ARB, and CPUC are all currently supporting ZEV infrastructure through various programs.
- 4) *Familiar.* The analysis required by this bill is substantially similar to existing annual reports required of ARB and the CEC. The author may wish to consider consolidation this report into those. In addition, a similar bill, SB 18 (Skinner) is currently being considered by the Environmental Quality Committee. SB 18 focusses on “green” hydrogen and will not be heard by the Transportation Committee.
- 5) *Zero Emission?* The conversion of hydrogen to electricity using fuel cells is a zero emission process, making fuel cell trucks a much cleaner substitute for diesel trucks from the perspective of local air quality. But nearly all commercially produced hydrogen in the United States comes from natural gas. Encouraging hydrogen for transportation increases natural gas usage at a time when some want to discourage the use of natural gas as a heating fuel. (Natural gas is a greenhouse gas far more potent than carbon dioxide.) In the future hydrogen may be produced from water using electricity or from the gasification of coal, which results in substantial greenhouse gas emissions (GHG) unless the carbon dioxide is captured and sequestered. So while it is clear that at the point

¹ The 2021-22 Budget: Extension of AB 8 Fees and Funding Securitization for ZEV infrastructure; p.24; LAO; February 16, 2021.

of use hydrogen is environmentally superior to diesel, it is less clear from a GHG emissions perspective than hydrogen is superior, particularly compared to battery electric drivetrains. How we produce hydrogen matters. *The author may wish to consider expanding the analysis to consider the question of the environmental benefits of hydrogen production by doing the following: On page 3, line 3, after “sectors” insert “taking into consideration the process for creating the hydrogen”.*

- 6) *Consistency Amendment.* The assessment required by this bill in subdivision (d) includes consideration of hydrogen for use in port and airport electrification. *The author may wish to reflect that idea in (a) which describes the task of the working group. This can be done by adding “locomotives, maritime, and aviation” in line 8, page 2 of the bill.*
- 7) *Double Referral.* This bill was heard in the Environmental Quality Committee on April 12, 2021 and approved 7-0.

RELATED LEGISLATION:

SB 18 (Skinner, 2021) — Requires the California Public Utilities Commission to study the potential growth of hydrogen and its role in decarbonizing the electrical and transportation sectors of the economy. *This bill is pending in the Environmental Quality Committee.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

Advanced Structural Technologies, INC.
Alaska Applied Sciences INC.
Ballard Fuel Cell Systems INC.
California Hydrogen Business Council
California Hydrogen Coalition
Dash2energy LLC
Engineering Procurement & Construction, LLC
Golden Gate Zero Emission Marine
Gta INC.
Longitude 122 West, INC.
Millenium Reign Energy

Millennium Reign Energy
Natural Hydrogen Energy LLC
Neo-h2
Next Hydrogen
Nikola Corporation
Sacramento Metropolitan Air Quality Management District
Sempra Energy Utilities
T2m Global
Tatsuno North America INC.
Taylor Wharton
The Protium Company
U.s. Hybrid
Ventura County Air Pollution Control District
Western States Hydrogen Alliance
Zero Emission Advisors

OPPOSITION:

350 Silicon Valley

-- END --

SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No: SB 674

Hearing Date: 4/27/2021

Author: Durazo

Version: 4/19/2021

Urgency: No

Fiscal: Yes

Consultant: Amy Gilson

SUBJECT: Public Contracts: workforce development: transportation-related contracts

DIGEST: This bill creates the California Jobs Plan (CAJP) Act of 2021, which requires private entities bidding on covered transportation-related contracts over \$10 million, excluding contracts for road, bridge, or highway construction, to include as part of their application a CAJP form stating information about jobs created and retained, and specifies that the CAJP is scored as part of the overall application and included in the awarded contract as a material term.

ANALYSIS:

Existing law:

- 1) Establishes the Labor and Workforce Development Agency (LWDA) to oversee workforce programs, including seven major departments, boards and panels that serve California workers and businesses by improving access to employment and training programs, enforcing California labor laws to protect workers and create an even playing field for employers, and administering benefits that include workers' compensation, unemployment insurance, disability insurance and paid family leave. (Government Code (GOV) § 15550)

Public contracting

- 2) Governs contracting between state agencies and private contractors, and sets forth requirements for the bidding, awarding, and overseeing of contracts. (Public Contract Code §10100 et seq.).
- 3) Establishes jurisdiction over contracting and procurement between state agencies and private contractors at the Department of General Services (DGS), the Department of Transportation (Caltrans), the High Speed Rail Authority (HRSA), the Department of Water Resources, The Department of Parks and

Recreation, the Department of Corrections and Rehabilitation, and the Military Department. Further establishes that the Department of General Services has jurisdiction over contracting and procurement for state departments not named in the foregoing list. (Public Contract Code §§10106 & 10107).

- 4) Sets forth the procedures local agencies are required to use when soliciting and evaluating bids or proposals for the construction of a public work or improvement (Public Contract Code §20100 et seq.).
- 5) Provides for alternative procurement, contracting, and project delivery methods, including, in some instances best value contracting under specified conditions (§§ Public Contract Code 6950 et seq., 6970 et seq. 10187 et seq, 10506.4 et seq. 20119 et seq. 20155 et seq. 20663 et seq.).

Employee protections

- 6) Establishes a comprehensive set of protections for employees, including a time-sure minimum wage, meal and rest periods, workers' compensation coverage in the event of an industrial injury, sick leave, disability insurance (DI) in the event of a non-industrial disability, paid family leave, and unemployment insurance (UI). (Labor Code §§201, 226.7, 246, 512, 1182.12, & 3600 and UI Code §§1251 & 2601)

Public works

- 7) Requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on a "public works" projects costing over \$1,000 dollars and imposes penalties for violation of this requirement. (Labor Code §1771)
- 8) Defines "public works" to include, among other things, construction, alteration, demolition, installation or repair work done under contract and paid for in whole or in part out of public funds. (Labor Code §1720(a)).
- 9) Requires that the applicable general prevailing rate of per diem wages be determined by the Director of the Department of Industrial Relations (DIR) for each locality in which the public work is to be performed and for each craft, classification, or type of worker needed to execute the public works project. (Labor Code §1773).
- 10) Establishes the Division of Labor Standards Enforcement in DIR to, among other things, enforce prevailing wage standards. (Labor Code §79 et seq.).

- 11) Establishes and regulates apprenticeship and skilled and trained staffing requirements on public works projects as a means to secure (and over time replenish) a reliable stock of skilled human capital available to work on and complete public works projects. (Labor Code §1777.5 & Public Contract Code §2660 et seq.).

California Workforce Development Board

- 12) Establishes the California Workforce Development Board (CWDB) as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. (Unemployment Insurance Code 14010 et seq).
- 13) Authorizes the CWDB to develop guidelines for public agencies receiving Road Maintenance and Rehabilitation Account funds to participate in, invest in, or partner with, new or existing pre-apprenticeship construction training programs. (Streets and Highway Code §2038).
- 14) Authorizes and funds the CWDB to establish a pre-apprenticeship grant program to prepare women, minority participants, disadvantaged youth, and the formerly incarcerated to enroll in construction apprenticeship programs (Streets and Highway Code §§2032 & 2038).
- 15) Defines "Individual with employment barriers" as an individual with any characteristic that substantially limits an individual's ability to obtain employment, including members of all of specified groups. (Labor Code § 14005(j)).

This bill:

General requirement

- 1) Requires a private entity who bid or applies for a covered public contract to submit a CAJP form with information on the number of temporary and permanent positions created by the project, the wages paid, and the number of positions created or retained for displaced workers and workers facing barriers to employment, among other data points.
- 2) Requires that the CAJP be scored as a part of the overall application for the covered public contract, be included in the awarded public contract as a material term, and accessible to the public once the public contract is awarded through a web-based portal.

Definitions and scope of covered public contracts

- 3) Defines “Applicant” as a private entity that applies, bids, or seeks qualification for a covered public contract. “Applicant” may be more than a single entity.
- 4) Defines “California Jobs Plan” as the component of an application submitted by applicants for covered public contracts where applicants state the minimum number of jobs, proposed wages, benefits, investment in training, specific protections for worker health and safety, and targeted hiring plans for displaced workers and individuals facing barriers to jobs created or retained in California in exchange for public contracts covered under this chapter. This component shall not require any application minimums other than those already required by relevant federal, state, and local laws.
- 5) Defines “covered public contract” as, to the extent otherwise permitted by law, any transportation-related contract with a present value of ten million dollars (\$10,000,000) or more to which a California state or local agency is a party or a transportation-related subsidy, grant, or loan with a present value of ten million dollars (\$10,000,000) or more that is provided, granted, or guaranteed by a state or local agency.
- 6) Defines “transportation-related contract” as the public investment in or purchase of transportation-related equipment, services, or transportation-related infrastructure connected to the operation of any mode of transportation in the state. Specifies that a “transportation-related contract” does not include construction contracts, except for construction contracts for the construction of electric vehicle charging stations.
- 7) Defines “transportation-related equipment” as tangible personal property have a useful life of more than one year and a per-unit acquisition cost which exceeds twenty-five thousand dollars (\$25,000), including, but not limited to, streetcars, trackless trolleys, buses, light rail systems, rapid transit systems, medium- and heavy-duty trucks, subways, trains, jitneys, fare boxes, bicycles, information technology systems, and charging stations.
- 8) Defines “services” as all activities related to the operation and maintenance of transportation equipment and transportation-related infrastructure.
- 9) Defines “transportation-related infrastructure” as the construction of electric vehicle charging stations of installation of physical property necessary for the operation of transportation equipment. Specifies that “transportation-related infrastructure” does not include the construction of other transportation-related

infrastructure, including but not limited to, the construction of roads, bridges, or highways.

- 10) Defines “relevant public agencies” as any city, county, or state agency in the state.

Relevant public agencies each design a CAJP program

- 11) Requires that “relevant public agencies” design the CAJP Program to meet all of the following objectives:
- a) Create a CAJP form, requesting specified information, as a component to applications for covered public contracts to specifically incentivize and support the creation and retention of quality, non-temporary and full-time transportation jobs that provide high wages, including benefits and access to training and protections for worker health and safety.
 - b) Support the hiring of displaced workers and individuals facing barriers to employment.
 - c) Encourage the development of the state’s long-term green transportation and related infrastructure and manufacturing sector.
 - d) Protect public health by supporting the adoption of specific protections for worker health and safety.

Labor and Workforce Development Agency create procedures and criteria

- 12) Requires that the Labor and Workforce Development Agency create procedures and criteria for public agencies to evaluate applicants for covered public contracts pursuant to the CAJP Act.
- 13) Requires that, to the extent feasible, the Labor and Workforce Development Agency shall seek input from, and consider the recommendations of, affected relevant public agencies on the proposed procedures and criteria to support or ensure consistency with existing policies, programs, and plans.

“Additional consideration”

- 14) Provides that the procedures and criteria must award additional consideration to applicants who do any of the following:
- a) Propose the highest value and quality CAJP in its application.

- b) Enhance the state's commitment to energy conservation, pollution and greenhouse gas emissions reduction, and transportation efficiency.
- c) Retain the greatest number of full-time, nontemporary employees compensated at a wage rate at or above an indexed regional living wage measure, as specified.
- d) Make concrete commitments to creating the greatest number of full-time, non-temporary jobs at a wage rate substantially above the prevailing wage for a similar industry based on the NAICS Code in the project jurisdiction or in the state.
- e) Make concrete commitments to maintaining at least 90 percent of the labor on a contract performed by properly classified employees pursuant to Assembly Bill 5 (hereafter AB 5; Chapter 296 of the Statutes of 2019).
- f) Offer targeted training and opportunities for individuals facing barriers to employment and displaced workers.
- g) Have the greatest beneficial economic impact on the state and local economies as a result of receiving the public contract, based on the priority criteria outlined in this chapter.

Progress reports

- 15) Requires that, beginning on January 1, 2024, and annually thereafter, recipients of covered public contracts, under this chapter, must upload progress reports on the commitments made in the CAJP. At a minimum, the information provided pursuant to this subdivision shall include all of the following:
- a) The number of full-time nontemporary jobs to be retained and created.
 - b) The number of full-time temporary jobs to be retained and created.
 - c) The number of part-time temporary jobs to be retained and created.
 - d) The number of part-time nontemporary jobs to be retained and created.
 - e) The number of jobs classified as "employees" pursuant to AB 5.
 - f) The number of positions classified as "independent contractors" pursuant to AB 5.

- g) The number of all jobs to be retained or created for individuals facing barriers to employment.
 - h) The number of all jobs to be retained or created for displaced workers.
 - i) The wage levels by job classification.
 - j) Any amounts that will be paid for fringe benefits by job classification.
 - k) Any amounts that will be paid for worker training by job classification.
 - l) Information on training programs targeted specifically towards individuals facing barriers to employment.
- 16) Requires the Labor and Workforce Development Agency to develop a web-based portal to which recipients of covered public contracts shall be required to upload progress reports on the commitments made in the CAJP. Requires the portal to be designed in such a manner that, if the information entered into the portal indicates a failure to comply with the commitments made in the CAJP, then an automatic notice of noncompliance would be sent to the relevant public agency. Requires the portal to be accessible to the public.

Displaced workers and individuals facing barriers to employment

- 17) Defines “Displaced Worker” as either of the following:
- e) Any employee who was employed by the employer for 6 months or more in the 12 months preceding the January 31, 2020, declaration of a national state of emergency by the President, and whose most recent separation from active service was due to a public health directive, government shutdown order, lack of business, a reduction in force, or other economic, nondisciplinary reason related to the COVID-19 pandemic.
 - f) Any employee whose most recent separation from active service was due to lack of business, a reduction in force, or other economic, nondisciplinary reason related to the transition from the fossil fuel industry to renewable energy.
- 18) Defines “Individual Facing Barriers to Employment” as either of the following:
- A. An individual facing barriers to employment as defined above.

- B. An individual from a demographic group that represents less than 30 percent of their relevant industry workforce according to the United States Bureau of Labor Statistics.

COMMENTS:

- 1) *Purpose.* According to the author, “Partnerships with business can lead to prosperity for everyone. This last year has pulled back the curtain on the inequities across so many of our institutions. It’s made clear who is hurt hardest in an economic crisis - communities of color and women. Communities of color are under immense strain from COVID-19. Women are struggling in the COVID economy, reflected most starkly in a December jobs report showing 140,000 jobs lost, all held by women.

President Biden has been clear that public dollars should create community benefits. We must use our dollars to invest in California and put Californians back to work in better jobs. We have an opportunity to work together to realize the goals of the Future of Work Commission as reflected in the “A New Social Compact for work and workers” to help create inclusive, long-term economic growth and ensure Californians share in that success. SB 674 is a mechanism to achieve this bold and urgent vision. It is not enough to say we want to create good jobs. We need clear criteria, enforcement of these commitments and access for the public to information related to promises made in contracts they’ve funded. The California Jobs Plan Act will ensure state transportation funds support the creation of high-quality jobs and access to these jobs for those historically excluded from meaningful employment in these sectors. I introduced Senate Bill 674 to support the creation of equitable high-quality transportation and related manufacturing and infrastructure jobs in our state.”

- 2) *Summary of the bill.* SB 674 would require relevant local and state agencies to develop CAJP programs to incentivize and support the creation of high-quality jobs, with the CAJP form as the cornerstone. When seeking a covered public contract, a company would be required to state on the CAJP form how many jobs they would create and retain if awarded the contract, along with other information on wages, worker training, and jobs created for workers who lost their job due to COVID or individuals facing barriers to employment. The public agency would score the CAJP as part of the application. And once an applicant is selected, the CAJP commitments would be incorporated into the contract.

SB 674 also creates a role for the LWDA in CAJP program development and enforcement: it tasks the LWDA with creating procedures and criteria for public

agencies to evaluate applicants for covered public contracts. It also requires LWDA to create a public web portal to which companies would upload their CAJP form and annual progress reports on the commitments therein, starting 2024. If the information entered into the portal indicates failure to comply with the commitments made in the CAJP, the portal would send an automatic notice of noncompliance to the relevant public agency.

- 3) *Which transportation contracts are covered?* SB 674's requirements apply to state and local public contracts over \$10 million for (1) transportation-related equipment, such as buses, medium- and heavy-duty trucks, subways, trains, and electric vehicle charging stations, (2) transportation-related services, such as contracts for vehicle maintenance, and (3) transportation-related infrastructure, electric vehicle charging station construction or the installation of property necessary for the operation of transportation-related equipment.

The bill rightly does not apply to contracts for construction of roads, bridges, and highways. Spending on this core transportation infrastructure constitutes the bulk of California's transportation spending, including SB 1 dollars, and is a major job creator. Such projects already create high quality, unionized jobs as they are public works projects subject to prevailing wage and statutorily mandated apprenticeship and skilled and trained staffing requirements.

However, SB 674 does apply to construction of electric vehicle charging stations and the installation of physical property necessary for the operation of transportation equipment, some of which may be public works as well. As the bill progresses the author may wish to clarify whether and how the bill applies to public works projects as well as what constitutes "physical property necessary for the operation of transportation equipment."

SB 674 does not specify particular programs or agencies to which its provisions apply. However, it would likely cover transit agency procurement of buses or rail cars, DGS vehicle procurement, the Clean Transportation Program's electric vehicle charging infrastructure investments, HSRA rolling stock procurement and maintenance contracts, and could potentially cover some investor-owned utility (IOU) expenditures for EV charging infrastructure (which are approved by the CPUC) and CARB medium- and heavy-duty programs if they reach the \$10 million threshold for covered public contracts.

Determining exactly which transportation equipment, service, and infrastructure contracts are covered by SB 674 would probably fall to the public agencies entering into such contracts. This broad application would maximize the use of the CAJP, but at the expense of being able to understand exactly where it would

apply ahead of time, the implications, and how well it could be integrated across such varied programs, agencies, and uses.

As the bill moves forward, the author may wish to consider facilitating a fuller accounting of the various contracts that may be affected by this bill's provisions, for example, by proactively identifying particular programs or public entities for which the CAJP may be best suited and to which the bill's requirements would apply.

- 4) *Existing requirements.* Existing law generally awards contracts to the lowest responsible bidder that responds to a solicitation for bids. This method provides a clear and objective measure to ensure the lowest initial procurement cost, but prevents agencies from factoring in other considerations such as equipment performance, lifecycle costs, or high-road jobs considerations.

For example, existing law requires Caltrans to purchase heavy equipment, such as large dump trucks, graders, snow removal equipment, loaders, and other construction equipment, using the standard lowest responsible bid procurement process. However, a pilot program authorized DGS to purchase and equip up to \$20 million worth of heavy mobile fleet vehicles and special equipment for use by Caltrans annually by means of "best value" procurement. As part of the pilot, DGS is required to prepare an evaluation of the best value procurement pilot, including a recommendation on whether the process should be continued. This bill provisions could be incorporated into best-value procurement processes. For example, HSRA uses best-value procurement and already incorporates high-roads provisions into many of its contracts.

To the extent this bill's provisions apply to contracts currently required to go to the lowest responsible bidder, it is unclear to what extent the CAJP could be given additional consideration when awarding a bid. As the bill progresses, the author may wish to clarify this.

- 5) *Existing applications of the high-road procurement method SB 674 would implement.* The CAJP required by SB 674 is modeled on the U.S. Employment Plan (USEP), an initiative created by Jobs to Move America, a national organization advocating responsible use of public transit procurement. Rather than predetermine labor standards, the USEP seeks the "best-in-class" employer during procurement. The U.S. Employment Plan was designed to level the playing field for high-road manufacturers that supply buses, rail cars, and other large capital equipment to public transit agencies, and has been adopted by

some of the nation's largest urban transit authorities.¹

According to the AB 398 report "Putting California on the High Road: A Jobs and Climate Action Plan for 2030," LA Metro now has a Permanent USEP policy, requiring the USEP in all future procurements of new manufactured vehicles and equipment above \$100 million. Likewise, the City of Los Angeles' Department of Transportation (LADOT) has committed to the USEP in procurements to meet the agency's planned transition to a fully zero-emission transit bus fleet. Accordingly, companies bidding on future LA Metro and LADOT contracts can now voluntarily commit to job quality, job access, and workforce investment targets to improve the competitiveness of their proposals.

In LA Metro's competitive solicitation in 2016 for the procurement of new zero-emission buses, the bidders were given the opportunity to commit up front to hiring targets as part of their application, and job benefits were an explicit part of the ranking of bids. One of the bidding ZEB manufacturers (BYD, a company with manufacturing facilities in Lancaster, CA) committed to a target of recruiting and hiring 40 percent of its workers from populations facing significant barriers to employment (e.g., veterans and formerly-incarcerated individuals).

The AB 398 report notes that USEP's inclusive procurement approach could be adopted more broadly in solicitations for the procurement of large capital equipment like buses or other fleet vehicles, and applied to contracts for public services like waste collection and fire prevention, and in the myriad of grant programs funded by the GGRF, ratepayer funds, and other sources. However, it does not appear to have been tested beyond equipment procurement at this point.

- 6) *Ready for prime time?* The state does have experience requiring job creation information on applications for public programs (e.g. CalCompetes). However other state agencies have explored using the USEP and faced challenges, including rules regarding federal dollars and the additional challenges for bidders to develop a proposal which was responsive to the USEP element.

This bill would massively scale-up the use of the USEP-approach by requiring state and local public agencies to use the CAJP (modeled on the USEP) in contracts over \$10 million for buses, light rail systems, medium- and heavy-duty trucks, subways, trains, charging stations and other transportation-related equipment.

¹ AB 398 (E. Garcia, Chapter 135, Statutes of 2017) Report: Putting California on the High Road: A Jobs and Climate Action Plan for 2030. (June 2020)

Furthermore, to this point, the USEP may only to have been applied to procurement of equipment such as buses and train cars, and does not appear to ever have been tested or used in contracts for transportation services or infrastructure construction. This bill would further scale-up use of the USEP-approach by requiring public agencies use it for contracts for transportation-related service contracts and infrastructure construction contracts (excluding construction of roads, bridges, and highways).

The legislature has authorized a variety pilot programs for new procurement practices. It may be beneficial in this case as well for the state to formally pilot and assess the innovative procurement mechanism in this bill. As the bill moves forward, the author may wish to consider amending it into a pilot program and assessment. Depending on its scope, a pilot program could assess the approach's efficacy across one or more area of transportation-related contracts, result in recommendations and lessons learned for continued or broader adoption, help identify the public contracts to which the USEP could be most fruitfully applied, and quantify any impacts to project costs.

- 7) *Enforcement and flexibility.* Relevant public agencies would likely have primary responsibility for ensuring that commitments in the CAJP are kept, though the bill also provides that LWDA would automatically alert a public agency in case of noncompliance. It is unclear how well this split oversight will work. Furthermore, circumstances may change mid-contract. If a more efficient way to complete the project is discovered it may not be pursued if it would jeopardize CAJP compliance. The bill does not clarify how potentially needed changes to a CAJP should be handled.
- 8) *Taking the high-road.* There are multiple routes to high-roads jobs, including prevailing, living and minimum wage standards, skill certification requirements, inclusive procurement policies such as the USEP, and community benefit agreements, which are legally enforceable agreements negotiated between community groups and a developer or employer and require specified local benefits, in some cases related to job quality and hiring goals. For example, HSRA has a community benefit agreement with skilled craft unions, and contractors designed to assist small businesses and job seekers in finding or obtaining construction contracts, jobs, and training opportunities for residents who live in economically-disadvantaged areas.

These multiple roads are not mutually exclusive, for example, USEP can incentivize companies to enter into a CBA. However, more analysis would be helpful to understand which policies are best suited across the broad and varied

areas of transportation contracting covered by this bill.

- 9) *Committee amendment.* Existing law requires that contracts with design professionals (e.g. architects and engineers) be based on their qualifications alone for safety purposes. ***The author and committee may wish to consider*** amending the bill to explicitly exempt contracts with design professionals.
- 10) *Committee considerations*
 - 1) The bill currently specifies that private entities must begin updating progress reports on their CAJP commitments starting January 1, 2024. Further specifying dates by when LWDA needs to have completed their specified procedures and criteria and by when relevant public agencies shall have designed their CAJP programs could provide greater specificity to the implementation timetable.
 - 2) A fuller accounting of the various contracts that may be affected by this bill's provisions could be clarified by proactively identifying particular programs or public entities for which the CAJP may be best suited and to which the bill's requirements would apply; by clarifying how the bill may apply to public works project and to contracts subject to existing procurement restrictions such as lowest responsible bidder requirements; and by specifying what constitutes "physical property necessary for the operation of transportation equipment."
 - 3) The proposed language in section 6983 mandating that relevant agencies "design" the California Jobs Program potentially contradicts the language in section 6984 mandating that the Labor and Workforce Development Agency "create" procedures and criteria for public agencies to evaluate applicants. These sections do not clearly indicate who has ultimate responsibility for program design.
 - 4) The author may wish to consider adding language in section 6984 that clarifies that the LWDA may designate responsibility for policy development, program implementation, and enforcement to one or more of the departments for which it has oversight as they may have a greater capacity to do the work than LWDA.
 - 5) As drafted the bill creates a process for input by agencies affected by the proposed procurement changes, but it does not create a well-delineated formally enforceable statutory role for DGS, Caltrans, HSRA, or affected local agencies. The author may wish to provide such entities with a more

formal role in the development of relevant criteria and procedures, especially given that these entities have legal jurisdiction over procurement in their areas, are likely more familiar with federal, state, and local procurement rules and standards governing affected monies, and are more informed about the potential unintended impacts that new rules might have on programs.

- 6) The author may wish to consider what, if any, role should be given to the Environmental Protection Agency (EPA), the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), CARB, and Caltrans with respect to relevant procurement criteria and standards having to do with energy conservation, pollution and greenhouse gas reductions, and transportation efficiency.
- 7) The author may wish to consider alternative, less costly, data-reporting, transparency, and enforcement mechanisms, than a web-based portal capable of generating an automatic notice of noncompliance. This could include the simple display of contracts on contracting agency websites or requiring covered public entities to report outcomes and compliance information to LWDA.
- 8) As drafted, the bill does not clearly provide flexibility for circumstances changing during or after a project is completed for example, if a more efficient way to complete a project mid-contract is discovered. It also appears to require recipients of covered public contracts to upload progress reports to the LWDA indefinitely.
- 9) Starting with a pilot program could help the state assess the CAJP approach across one or more area of transportation-related contracts, result in recommendations and lessons learned for continued or broader adoption, help identify the public contracts to which the USEP could be most fruitfully applied, and quantify any impacts to project costs.
- 11) *Arguments in support.* According to Jobs to Move America, “In 2016, the outgoing Secretary of Transportation, Anthony Foxx issued a letter encouraging the use of the USEP, as an innovative approach to using transportation funds to create jobs. Since then, the USEP has been utilized at agencies across the country from small, local school districts, to large statewide agencies, to successfully leverage public purchasing and create thousands of jobs for communities that need them the most.

Good jobs policies, however, are not unique to procurement. Many other state programs have also realized the power and importance of attaching good job creation requirements to public dollars. California Competes for example,

requires almost all of the same elements as SB 674, such as the number of jobs the business will create or retain in this state; the compensation paid or proposed to be paid by the business to its employees, including wages, benefits, and fringe benefits; the training opportunities provided to employees; and the overall economic impact in the state of the applicant's project or business. Other programs which include similar criteria include The California Alternative Energy and Advanced Transportation Financing Authority (CAEFTA) and The California Small Business COVID-19 Relief Grant Program.

While agencies have clearly recognized the incredible power of leveraging public dollars to spur job creation, we do not have the time to wait for policies to be adopted at every agency across the state, nor do we want to find ourselves in a situation where companies are forced to keep track of hundreds of different procedures and requirements in order to apply for public transportation contracts... We need action now.”

Double Referral. This bill was doubled referred to the Senate Labor, Public Employment and Retirement Committee, passing on March 22, 2021 on a 4-1 vote.

RELATED LEGISLATION:

SB 46 (Stern, 2021) — This bill would require a state agency that receives and disburses ARP funds or other federal recovery funds to consider projects' potential impact on specified goals, including, among other things, restoring frontline communities and rapidly accelerating achievement of environmental justice and climate goals, including, but not limited to, climate, environmental, and biodiversity protection, and stimulating growth.

SB 582 (Stern, 2021) — This bill would require the Office of Planning and Research, by June 1, 2022, in collaboration with various state entities, to develop a Just Resilience Plan to drive resilience investments in the most vulnerable communities in California.

AB 680 (Burke, 2021) — The California Just Transition Act would require the Labor and Workforce Development Agency to work with the state board to update, by July 1, 2023, the funding guidelines for administering agencies to ensure that all applicants to grant programs funded by the Greenhouse Gas Reduction Fund meet specified standards.

AB 983 (Eduardo Garcia, 2021) — This bill would authorize a public entity to use, enter into, or require contractors to enter into, a community workforce

agreement for specified construction projects, including projects related to renewable energy and installation of emission controls in refineries.

SB 1 (Beall, Chapter 5, Statutes of 2017) — implemented standards for multi-craft pre-apprenticeship in the construction sector. Although developed pursuant to SB 1, these standards are applicable to all segments of the construction industry, as well as to any policy area or workforce investment involving building and construction trades work.

AB 398 (Eduardo Garcia, Chapter 135, Statutes of 2017) — directed California Workforce Development Board (CWDB) to assess the need for increased education, job training, and workforce development resources to help workers and communities transition to a low carbon economy. This report was provided to the Legislature in the fall of 2020.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

California Immigrant Policy Center
California State Association of Electrical Workers
California State Pipe Trades Council
Center for Employment Opportunities
Communications Workers of America, District 9
Jobs to Move America
Los Angeles Cleantech Incubator
Los Angeles County Federation of Labor
Miguel Contreras Foundation
REDF
Social350 Climate Action
Transit Workers Union California State Conference
Transport Workers Union of America, AFL-CIO
United Steelworkers Local 675
Warehouse Worker Resource Center
Western States Council Sheet Metal, Air, Rail and Transportation
Working Partnerships USA

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	SB 726	Hearing Date:	4/27/2021
Author:	Gonzalez		
Version:	4/21/21 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Alternative fuel and vehicle technologies: transportation sustainability strategy

DIGEST: This bill revises the California Energy Commission's (CEC) Alternative and Renewable Fuel and Vehicle Technology Program and requires the development of a sustainable transportation strategy by the CEC and the California Air Resources Board (ARB).

ANALYSIS:

Existing law:

- 1) Establishes ARB as the air pollution control agency in California.
- 2) Designates ARB as the state agency charged with monitoring and regulating statewide greenhouse gas (GHG) emissions, and requires ARB to ensure that GHG emissions are reduced to at least 40 percent below the 1990 level by December 31, 2030. (HSC §38500 et seq.)
- 3) Requires ARB to prepare and approve a scoping plan to achieve maximum technologically feasible and cost-effective reductions in GHG emissions at least once every five years, and requires all GHG rules and regulations adopted by ARB be consistent with the updated scoping plan. (HSC §§ 38561 and 38592.5)
- 4) Establishes the Alternative and Renewable Fuels and Vehicle Technology Program (now known as the Clean Transportation Program, or CTP), administered by the California Energy Commission (CEC), to develop and deploy technologies and alternative and renewable fuels to help attain the state's climate change policies. Funding for the CTP program comes from miscellaneous vehicle-related charges include vehicle registration fees, boat registration fees, smog abatement fees, and special license identification fees. (HSC § 44272) These fees sunset on January 1 2024.

5) In administering the CTP, the CEC is required to provide preferences to projects meeting any of twelve criteria:

- a) Helps transition from the use of petroleum fuels
- b) Consistency with climate change policy
- c) Reduces air pollutants
- d) Decreases the discharge of water pollutants
- e) Does not adversely impact the sustainability of the state's natural resources
- f) Provides non-state matching funds
- g) Promotes California-based firms and jobs
- h) Uses existing or proposed fuel infrastructure
- i) Reduces GHG emissions by at least 10%
- j) Uses alternative fuel blends of at least 20%
- k) Drives new technology
- l) Transitions workers to alternative and renewable fuel and vehicle technology sectors

6) Limits CTP funding only to projects that meet any of the following 13 criteria:

- a) Develop and improve alternative and renewable low-carbon fuels
- b) Optimize alternative and renewable fuels for existing engine technologies
- c) Produce alternative and renewable low-carbon fuels
- d) Decrease the impact of the alternative and renewable fuel life-cycle carbon footprint
- e) Develop alternative and renewable fuel infrastructure
- f) Develop and improve technology for all vehicles that provide better fuel efficiency and lower GHG emissions
- g) Accelerate the commercialization of alternative and renewable fuels
- h) Retrofit medium- and heavy-duty vehicles for higher fuel efficiency
- i) Promote alternative and renewable fuel infrastructure development
- j) Workforce training programs related to technologies that transform fuels and vehicles
- k) Block grants and incentive programs administered by public entities and not-for-profit technology entities
- l) Assessments performed by state agencies to determine the impacts of increasing the use of low-carbon transportation fuels and technologies
- m) Funding for homeowners to offset costs to supply plug-in electric vehicles

- 7) Requires a study to identify strategies to significantly reduce emissions from vehicles and to achieve carbon neutrality in the sector, including the transition to zero-emission light-duty vehicles, in particular, passenger vehicles, the transition to zero-emission heavy vehicles, and the adoption of other technology to significantly reduce emissions from heavy vehicles; the role of alternative fuels; and the impact of land use policy. The study shall include, but not be limited to, strategies for reducing vehicle miles traveled, including increasing transit ridership. (Budget Act of 2019)
- 8) Establishes, through Executive Order, goals for the deployment of Zero Emission Vehicles (ZEV), including having one million ZEVs on the road by 2020 and 100% of light duty vehicles sold be ZEVs by 2035 and 100% of medium- and heavy-duty vehicles sold be ZEVs by 2045.

This bill:

- 1) Revises the Clean Transportation Program at the CEC as follows:
 - a) Requires the CEC to expend at least 50% of the funds for projects that benefit low-income and disadvantaged communities
 - b) Requires the CEC to provide preferences based on the following criteria:
 - c) Reduces criteria air pollutants particularly in emissions-overburdened communities and low-income communities;
 - d) Provides advanced vehicle infrastructure to support ZEV and alternative-fueled vehicle deployment prioritizing disadvantaged and low-income communities;
 - e) Provides nonstate matching funds;
 - f) Provides economic benefits for California;
 - g) Uses existing or proposed fueling infrastructure;
 - h) Drives new technology advancement for vehicles and other equipment;
 - i) Transitions workers to the alternative and renewable fuel and vehicle technology sector.
- 2) Specifies that the following projects shall receive priority for funding:
 - a) Medium- and heavy-duty vehicle infrastructure, research, demonstration and deployment projects.
 - b) Infrastructure deployment and related workforce training projects for light-, medium- and heavy-duty alternative-fueled vehicles in disadvantaged and low-income communities.

- 3) Identifies a variety of projects that may be eligible for funding.
- 4) Requires the development by January 1, 2024 of a sustainable transportation strategy jointly by ARB and the CEC, in coordination and consultation with various state and local agencies.
 - a) The purpose of the strategy is to identify plans, actions and required funding needed to meet California's GHG reduction and criteria pollutant reduction goals in a cost effective and efficient manner.
 - b) The strategy shall consider a variety of programs including, but not limited to, ZEVs, transit, active transportation, vehicle pooling, and vehicle miles traveled reduction initiatives.
 - c) The strategy shall identify programs, funding sources and levels and regulatory mandates which, through their collective implementation, result in meeting transportation sector emission reduction goals.
 - d) The strategy shall include a roadmap to achieve the ZEV goals established in Executive Order N-79-20.
 - e) The strategy shall be equity focused and prioritize investments that support low-income and disproportionately emissions-overburdened communities.

COMMENTS:

- 1) *Author's Statement.* "California's Clean Transportation Program has been critical to advancing clean charging infrastructure, developing clean technology, and getting clean cars and trucks on the road. However, this program was last updated in 2013, and the market, technology, and goals of the program have all progressed in the intervening decade, leaving the program in grave need of revitalization. SB 726 will reassess the funding priorities of the CTP to prioritize equity and reduce harmful air pollutants that disproportionately affect low income, disadvantaged, and emissions-overburdened communities. SB 726 also requires cross-agency planning to align clean transportation strategies with emissions-reductions goals. Investment in critical, level-headed planning for the future of clean transportation is necessary to pave the road toward a brighter, healthier, thriving future for all Californians."

- 2) *This bill has two distinct parts.* It revises the existing Clean Transportation Program and requires the development of a comprehensive sustainable transportation strategy.

Clean Transportation Program

- 3) *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 includes extending the sunset for these fees until 2046 and securitizing CTP revenue to accelerate funding for ZEV infrastructure.
- 4) *Program Outcomes.* 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%).
- 5) *Program Policies.* Many of the preferences and requirements of the CTP were established in the original 2007 legislation. Much has changed in the transportation world since then, including a sharpening of concern for climate change, emergence of equity concerns as a policy priority and significant technological advancement in the alternative fuel vehicle industry including relatively strong adoption and support for EVs by customers and manufacturers in the light duty vehicle market. This bill is the author's effort to update those preferences and requirements. In broad terms, the bill directs more funding to projects which benefit disadvantaged and low-income communities and focusses more attention on medium- and heavy-duty vehicles.
- 6) *A Sharper Focus?* California's GHG reduction efforts would benefit from a sharper focus and closer coordination among programs. This bill takes steps in that direction but perhaps more could be done as limited funding will limit ambitions. A sharper focus should result in more visible results, while a broader focus spreads benefits more widely but less deeply. The focus should also recognize that this program is only one of several that support clean transportation technology (e.g., the CEC and the CPUC both have significant recharging/refueling infrastructure programs). Meshing the CTP effort in light of these other efforts will avoid any duplication and may result in leveraging the

funding. Among the competing priorities are zero-emission versus near zero-emission; light-duty versus medium- and heavy-duty; vehicle subsidies versus infrastructure subsidies versus fuel subsidies; deployment versus demonstration versus research.

To improve impact, the bill could make its priorities clearer. A number of different programs are identified for preferences but within those preferences, the CEC has abundant discretion. In addition, the bill identifies numerous types of projects that are eligible for funding. It is not clear whether that eligibility implies a preference compared to other projects which are not specifically listed as eligible but are otherwise supportive of the goals of the CTP. While having a broad list of priorities allows more interests to feel like they will be program beneficiaries, it increases the potential for the funding to be spread very widely and thinly, without achieving the desired transformational impact.

Sustainable Transportation Strategy

- 7) *Putting the Pieces Together.* California has for years had numerous programs which are intended to reduce transportation-related GHG emissions and criteria air pollutants. These programs had been centered on the work of ARB but over time, as the scope of the programs needed to deal with climate change has been recognized; new programs have been developed and administered by other agencies with relevant expertise, including the CEC and the California Public Utilities Commission. More than just making vehicles cleaner, reducing transportation-related GHGs now encompasses policies as diverse as making transit much more attractive and efficient, encouraging shared-rides and telework, and changing land use policies to reduce commuting. Developing the necessary programs across multiple agencies, ensuring that those programs don't conflict, choosing the programs which are most cost-efficient and effective, identifying the necessary funding sources, and developing performance metrics is foundational if we are to meet our GHG reduction and ZEV deployment goals. This bill requires that this analytic work happen through the development of a comprehensive strategy with specific programs, funding and expected results.
- 8) *What will it Take?* California's ambitious ZEV goals have never had sufficient programs nor funding to achieve them.¹ Estimates of the funding necessary to meet the goals vary; ARB staff has publicly presented estimates of \$15B - \$29B to meet the 2025 goals. Support will be needed for both vehicles and the associated charging infrastructure. Meeting the ZEV goals is part of the larger

¹ See April 9, 2021 Senate Transportation Committee informational hearing.

challenge of reducing GHG emissions across the transportation sector, which, as noted above, involves different agencies and strategies.

- 9) This bill addresses the question of how best to develop, organize and implement the most effective strategies across the state agencies by requiring the development of a comprehensive sustainable transportation strategic plan by the CEC and ARB. The plan is intended to make clearer what needs to be done, the programs necessary to achieve those outcomes, and the cost. In developing the strategic plan the tradeoffs between the different strategies can be articulated, considered and decided. An intended outcome is a clear articulation of the full portfolio of necessary legislation. This strategic plan is different from the ZEV Market Development Strategy recently issued by GO-Biz in that it is more specific and comprehensive in both programs and costs.

Who develops the strategy is a critical question as the point of the strategy is to develop a comprehensive plan that all state agencies will implement. And such a plan can't be developed without a complete understanding of the different policy options and implementation issues. Therefore, the formation of the strategy has to have participation and buy-in at the decision-making level. As this bill progresses the author may wish to consider the organizational structure of the process for developing the strategic plan, and how to compel the participation of decision-makers and the implementation of the resulting strategy.

- 10) *Earlier Work.* Pursuant to the 2019 state budget, the UC Institute of Transportation Studies is preparing an analysis exploring different pathways to achieve a zero-carbon transportation system in California by 2045. This comprehensive report may provide valuable insight into the policies and programs California may need to deploy to meet our sustainable transportation goals. In a preliminary report issued in October 2020 the authors noted that absent significant additional policy, California is extremely unlikely to meet its emission reduction goals in the transportation sector.²
- 11) *Opposition.* The California Hydrogen Coalition opposes the bill unless 50% of the CTP funding is dedicated to hydrogen fueling infrastructure. Hydrogen is already the beneficiary of a 20% set-aside in the existing CTP program, something no other technology has. For light duty vehicles the market seems to have passed this technology by³, raising the wisdom of the existing 20% set

² Carbon Neutrality Study 1: Driving California's Transportation Emissions to Zero; UC Institute of Transportation Studies

³ In 2020 less than 1% of ZEVs sold in California were hydrogen powered, compared to 99% which were battery electric.

aside. Hydrogen may yet have a market in medium- and heavy-duty vehicles as well as vessels, airplanes and locomotives. Rather, than set a statutory set-aside for this technology it may be more appropriate to have them compete for funding like all the other technologies.

- 12) *Double Referred.* This bill was heard by the Senate Environmental Quality Committee on April 12, 2021 and passed 5-1.

RELATED LEGISLATION:

SB 551 (Stern, 2021) — Establishes an Electric Vehicle Authority in the Governor's Office. *This bill is pending in the Senate Transportation Committee.*

AB 1389 (Reyes, 2021) — Revises the CTP. *This bill is pending in the Assembly Transportation Committee.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

Abb INC.
Amplify Power
Anaheim Transportation Network
Arrival
California Electric Transportation Coalition
Calstart INC.
Center for Sustainable Energy
Change Energy
Elders Climate Action, Norcal and Social Chapters
Enow
Greenpower Motor Company
Mack Trucks
Momentum Dynamics Corporation
Motiv Power Systems
Nikola Corporation
Odyne Systems, LLC
Pheonix Motorcars
Proterra, INC.
Sea Electric

The Lion Electric Co.
Veloce Energy
Volvo Group North America

OPPOSITION:

California Hydrogen Coalition

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	SB 760	Hearing Date:	4/27/2021
Author:	Bates		
Version:	2/19/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: State highways: State Route 241: reduction

DIGEST: This bill shortens State Route 241.

ANALYSIS:

Existing law:

- 1) Establishes the state highway system throughout California.
- 2) Provides the State Department of Transportation with full possession and control of the state highway system and associated property, as specified.
- 3) Designates SR 241 from Interstate 5 (I-5) south of the City of San Clemente to State Route 91 (SR 91) in the City of Anaheim.
- 4) Authorizes the County of Orange and the cities within the County of Orange to form a Joint Powers Authority (JPA) and incur indebtedness for certain purposes including the construction of bridge facilities or major thoroughfares by which toll roads may be constructed, as specified. Under this authority the Transportation Corridor Agency (TCA) was formed. TCA consists of two agencies, the San Joaquin Hills Transportation Corridor Agency (SJHCA) and the Foothill/Eastern Transportation Corridor Agency (F/ETCA) which together operate four toll roads.
- 5) Authorizes a JPA created by the abovementioned authority to make toll revenues and developer fees available to other JPAs to pay for the cost of constructing and operating separate toll facilities, as specified.

This bill deletes from the state highway system the portion of SR 241 from State Route 5 south of the City of San Clemente to Oso Parkway east of the City of Mission Viejo.

COMMENTS:

- 1) *Author's Statement.* SB 760 clarifies existing law that State Route 241 shall not run through the City of San Clemente, by realigning the route's starting point to Oso Parkway east of the City of Mission Viejo. Existing statute designates State Route 241 as starting at State Route 5 south of the City of San Clemente, with the terminus of each side of State Route 241 starting and ending outside the City of San Clemente. However, some have sought to interpret the statute to allow State Route 241 to run through the City of San Clemente. In March 2020, the Foothill/Eastern Transportation Corridor Agency Board of Directors, voted unanimously to stop the SR-241 at its current location - Oso Parkway east of the City of Mission Viejo. This bill simply amends existing law to conform that decision by deleting from the state highway system the portion of State Route 241 from State Route 5 south of the City of San Clemente to Oso Parkway east of the City of Mission Viejo. SB 760 will help re-establish the trust between our local entities. SB 760 will ensure that the compromise will be enduring and that needed congestion relief projects for the region are built.
- 2) Transportation Corridor Agencies (TCA). TCA consists of two JPAs formed under statute enacted in 1986 to plan, finance, construct, and operate toll roads in Orange County. TCA consists of two local government agencies:
 - a) The San Joaquin Hills TCA which oversees the San Joaquin Hills Toll Road State Route 73 (SR-73), which stretches 15 miles from Newport Beach to San Juan Capistrano in southwest Orange County.
 - b) The Foothill/Eastern TCA which runs both the Foothill Toll Road and the Eastern Toll Road which include State Routes 133, 241, and 261, linking SR 91 near the Orange County/Riverside County border to I-5 in Irvine and also to communities in South Orange County.
- 3) TCA has constructed and currently operates approximately 51 miles of toll roads primarily in south Orange County and employs a staff of approximately 68 employees. The Boards of Directors for both the San Joaquin and Foothill/Eastern agencies are comprised of local elected officials in Orange County. The toll roads maintained by TCA are financed with tax-exempt nonrecourse toll revenue bonds. Taxpayers are not responsible for repaying TCA debt; toll revenue and developer fees cover debt service obligations.

- 4) *You Win.* SR 241 is a 12-mile state highway that is a toll road. As currently constructed it is incomplete. It begins at SR 91 in Anaheim, consistent with existing statute, but ends several miles short of the statutory terminus of Interstate 5 south of San Clemente. Last year, as part of a process for addressing traffic congestion in south Orange County, the TCA Board of Directors explicitly considered, but ultimately rejected, extending SR 241 to Interstate 5 in favor of a set of alternative projects that do not create new routes through the city of San Clemente which were unanimously approved. These alternative projects have been turned over to the County of Orange, the Orange County Transportation Authority (OCTA), and Caltrans, who have the responsibility to build them.
- 5) *Not Through My Backyard.* Extending SR 241 south to Interstate 5 would necessarily cross through San Clemente, something residents understandably oppose. Yet after having won the battle last year there are still concerns that a SR 241 extension through San Clemente could be revived. That seems unlikely at least for the next several decades. Doing so would require going through an extensive and arduous planning and environmental review process involving numerous transportation planning agencies, including OCTA and the Southern California Association of Governments. It would be hard to justify additional roads to relieve congestion when a congestion relief plan has just been unanimously approved. Moreover, TCA relies on tolls to pay for most of its projects. Lenders would be unlikely to loan TCA the funds for the road without projections of usage high enough to repay those loans. Again, given that TCA has already approved alternative projects to carry the traffic, sufficient toll revenue from a new road are very unlikely.
- 6) *More Discussions.* The controversy over extending SR 241 has led the Boards of the San Joaquin Hills TCA and the Foothill/Eastern TCA to establish a working group to resolve the concerns that led to the introduction of this bill. The working group, after meeting several times, has developed a policy to reaffirm TCA's commitment to the approved projects and to provide guidance on the conditions that would merit consideration of any further extension of SR 241. The Foothill/Eastern TCA will consider adopting this policy in a public meeting on April 22, 2021. Notably, this policy is opposed by the City of San Clemente. A second effort to work out the differences between the parties is being led by an Orange County supervisor.
- 7) *Something We Can Agree On.* If this bill passes, it would likely preclude TCA from ever extending SR 241 to Interstate 5 south of San Clemente. That is because TCA builds roads and then turns ownership over to Caltrans while collecting tolls to repay the construction loans. If a road were not a part of the

state highway system, it is unclear that Caltrans could take ownership. While TCA has no plans to build the extension, at some point in the distant future it may be a reasonable option. Nevertheless, without the existing statute such an option could not be considered.

- 8) *History.* The current iteration of SR 241 was established in 1988 (Chapter 1363) from “Route 231 near the cities of Tustin and Irvine to Route 5 south of San Clemente” and was amended into its current form in 1996 (Chapter 1154) in an omnibus bill.

RELATED LEGISLATION:

SB 1373 (Bates, 2020) — This bill was nearly identical to SB 760. *Failed in the Assembly Transportation Committee.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

Board of Directors of Rancho San Clemente Community Association
 Business Design Innovations
 California Cultural Resources Preservation Alliance, INC.
 Capistrano Unified School District
 Capo Cares
 Carisma Mobile Car Wash
 Councilmember Chris Duncan, San Clemente
 Debra Lewis Former Mayor, Dana Point
 LA Vida Laguna
 No Toll Road and No Toll Lanes on The I 5
 No Tollroad and No Toll Lanes on The I-5 Freeway
 San Clemente Presbyterian Church
 San Clemente; City of
 Talega Maintenance Corporation
 The Gratitude Garden Preschool
 131 individuals

OPPOSITION:

California Coastal Protection Network

California State Council of Laborers
California State Parks Foundation
City of Rancho Santa Margarita
City of Yorba Linda
Endangered Habitats League
Foothill Eastern Transportation Corridor Agency
Ghirardelli Associates
Hntb Corporation
Individual - Irvine Mayor Farrah Khan
Individual - Resident, Ladera Ranch (orange County)
Individual - Trevor O'neil, Anaheim City Council Member
Individual - Mayor Pro Tem Austin Lumbard, City of Tustin
Irvine; City of
Laguna Hills Chamber of Commerce
Mark Thomas
Mountain Lion Foundation
Natural Resources Defense Council
Orange County Business Council
Orange County Coastkeeper
San Joaquin Hills Transportation Corridor Agency
Sea and Sage Audubon Society
Southwest California Legislative Council
Wildcoast
1 individual

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SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No: SB 814 **Hearing Date:** 4/27/2021
Author: Committee on Transportation
Version: 4/19/2021 Amended
Urgency: No **Fiscal:** Yes
Consultant: Amy Gilson

SUBJECT: Transportation: omnibus bill

DIGEST: This bill contains numerous non-controversial changes to transportation-related statutes.

ANALYSIS:

*Conformity with the federal Motor Carrier Safety Assistance Program (MCSAP)
(Source: California State Transportation Agency (CalSTA)/California Highway
Patrol (CHP))*

- 1) Establishes MCSAP as a Federal MCSAP is a Federal formula grant program that provides financial assistance to States to reduce the number and severity of crashes, and resulting injuries and fatalities, involving CMVs and to promote the safe transportation of passengers and hazardous materials. The goal of MCSAP is to reduce CMV-involved crashes, fatalities, and injuries through consistent, uniform, and effective CMV safety programs that include driver or vehicle inspections, traffic enforcement, carrier investigations, new entrant safety audits, border enforcement, safety data improvements, and Performance and Registration Information Systems Management (PRISM). Information Systems Management (PRISM). (Title 49 Code of Federal Regulation § 350.201 (49 CFR § 350.201))
- 2) Sets conditions of participation in MCSAP for States and proposed the adoption and uniform enforcement of compatible laws, regulations, standards, and orders on CMV safety. (49 CFR § 350.201)
- 3) Requires all lighting equipment of a required type installed on a vehicle to at all times be maintained in good working order. (VEH § 24252)

This bill specifies that “lighting equipment of a required type” includes lighting equipment specifically required by the Vehicle Code and lighting equipment

required pursuant to Federal Motor Carrier Safety Regulations: Parts and Accessories Necessary for Safe Operation or the Federal Motor Vehicle Safety Standards (Part 393 or Part 571 of 49 CFR respectively).

- 4) Requires every motor vehicle used to carry the property of others for hire or used to carry passengers for hire, and all commercial motor vehicles to have displayed on both sides of each vehicle the name or trademark of the person under whose authority the vehicle is being operated. (VEH § 27900)

This bill creates an exemption to this requirement for vehicles rented for not more than 30 days, if certain conditions are met.

- 5) Requires a vehicle transported on a slide back carrier tow truck or on a trailer to be secured, as specified. (VEH § 29004)

This bill removes language related to slide back carrier tow trucks and instead requires a vehicle transported as a load on a trailer, using certain vehicles, to be secured as specified.

- 6) Requires CHP to recommend to the California Public Utilities Commission (CPUC) that a tour bus carrier or a modified limousine carrier's operating authority be suspended, denied, or revoked or to the US Department of Transportation (US DOT) that an appropriate administrative action be taken against the carrier's interstate operating authority upon determined that the carrier has failed to maintain any vehicle used in transportation for compensation in a safe operating condition or failed to comply with relevant specified regulations. (VEH § 34505.1)

This bill recasts these provisions for consistency with VEH § 34505.6 and to add conditions for when CHP may recommend the suspension of CPUC operating authority, including as when a carrier has been issued an out-of-service order by the US DOT as specified.

- 7) Requires CHP to make a written recommendation to the Department of Motor Vehicles that a private carrier of passengers' registration be suspended if the carrier has either failed to maintain any of their vehicles in a safe operating condition, as specified. (VEH § 34505.7)

This bill similarly recasts this sections provisions for consistency with VEH § 34505.6.

- 8) Authorizes a commercial vehicle and any other vehicle 80 or more inches in width to be equipped with identification lamps mounted on the front or rear, but prohibits any such lamps or their mountings but prohibits any part of such lamps or their mountings on the front of a motor vehicle from extending below the top of the windshield. (VEH § 25351)

This bill strikes this prohibition.

- 9) Prohibits identification lamps on passenger vehicles, except housecars and ambulances (VEH § 25351)

This bill strikes this provision.

Bicycles and pedicabs (Source: Office of Assemblywomen Gonzalez)

- 10) Defines a “bicycle” as a device upon which any person may ride, propelled exclusively by human power through a belt, chain, or gears, and having one or more wheels. (Vehicle Code (VEH) § 231)
- 11) Defines an “electric bicycle” as a bicycle equipped with fully operable pedals and an electric motor of less than 750 watts, as specified. (VEH § 312.5)

This bill clarifies that an electric bicycle is a type of bicycle.

- 12) Defines a “pedicab” as any of the following:
- a) A bicycle that has three or more wheels, that transports, or is capable of transporting, passengers on seats attached to the bicycle, that is operated by a person, and that is being used for transporting passengers for hire.
 - b) A bicycle that pulls a trailer, sidecar, or similar device, that transports, or is capable of transporting, passengers on seats attached to the trailer, sidecar, or similar device, that is operated by a person, and that is being used for transporting passengers for hire.
 - c) A four-wheeled device that is primarily or exclusively pedal-powered, has a seating capacity for eight or more passengers, cannot travel in excess of 15 miles per hour, and is being used for transporting passengers for hire. (VEH § 467.5)

This bill clarifies that a pedicab may be an electric bicycle.

Motorized scooters (Source: Wheels)

- 13) Defines a “motorized scooter” as any two-wheeled device that has handlebars, has a floorboard that is designed to be stood upon when riding, and is powered by an electric motor. This device may also have a driver seat that does not interfere with the ability of the rider to stand and ride and may also be designed to be powered by human propulsion. (VEH § 407.5)

This bill expands the definition of “motorized scooter” to also include a device that has a seat and footrests in place of the floorboard.

Vehicle theft program reporting (Source: State Controller’s Office)

- 14) Authorizes a county, upon the adoption of a resolution by its board of supervisors, to impose a fee on motor vehicles, as specified, that is paid quarterly to the Controller and continuously appropriated for disbursement to the county, as specified, to be used to fund programs relating to vehicle theft crimes.

- 15) Requires a county that imposes such a fee to issue a fiscal yearend report to the Controller on or before August 31 of each year. Requires the report to include a detailed accounting of the funds received and expended in the immediately preceding fiscal year. (VEH § 9250.14)

This bill pushes the date by which this yearend report is due to November 30 of each year.

Lighting equipment regulations (Source: Alliance for Automotive Innovation)

- 16) Authorizes the California Highway Patrol (CHP) to adopt and enforce regulations establishing standards and specifications for lighting equipment and for other equipment, as specified, including standards and specifications for installation and aiming requirements. (VEH § 26103)

This bill specifies that, notwithstanding rulemaking provisions of the Administrative Procedure Act, CHP shall adopt regulations for lighting devices permitted by the Vehicle Code and incorporate by reference the applicable standards published by SAE International for these devices and a corresponding publication date. Specifies that, notwithstanding the specified publication date, a person may sell or use upon a device meeting the requirements of a revised standard.

COMMENTS:

- 1) *Purpose.* The purpose of omnibus bills is to include non-controversial changes to various committee-related statutes into one bill. This allows the legislature to make multiple, minor changes to statutes in one bill. Omnibus bills typically include technical changes. Recognizing the limitations on committee hearings and legislative processes due to the ongoing risks of COVID-19, this year, the omnibus also includes minor policy changes for added legislative efficiency. If there is no consensus on a particular item, it cannot be included. There is no known opposition to any item in this bill. Additional items may be added as this bill progresses.
- 2) *The omnibus process.* According to the Legislative Analyst's Office, the cost of producing a bill in 2001-2002 was \$17,890. By combining multiple matters into one bill, the Legislature can make minor changes to law in the most cost-effective manner.

Proposals included in this transportation omnibus bill must abide by the Senate Transportation Committee policy on omnibus bills. The proposals have to be non-controversial and none or minor policy changes to various committee-related statutes. The proponent of an item submits proposed language and provides background materials to the Committee for the item to be described to legislative staff and stakeholders. Committee staff provides a summary of the items and the proposed statutory changes to all majority and minority consultants in both the Senate and Assembly, as well as all known or presumed interested parties. If an item encounters any opposition and the proponent cannot work out a solution with the opposition, the item is omitted from or amended out of the bill. Proposals in the bill must reflect a consensus and be without opposition from legislative members, agencies, and other stakeholders.

- 3) *This bill* makes non-controversial, minor changes to sections of law relating to transportation. Specifically, this bill includes the following provisions, with the proponent of each provision noted in brackets:
 - a) *Conformity with the federal MCSAP [Source: CalSTA/CHP].* Contains multiple federal conformity changes related to the MCSAP grant program. The CHP receives federal MCSAP grant funding which is used to support commercial vehicle safety-oversight operations throughout California. The conditions for MCSAP grant approval require states to adopt safety-laws and regulations that are compatible with parts of the federal motor carrier safety regulations (FMCSRs) and all of the Hazardous Material Regulations. In order for CHP to continue receiving MCSAP grant funding, California's

statutes and regulations are required to be consistent with FMVSS which are contained in Title 49 CFR as they apply to commercial vehicle enforcement. If the CHP fails to regulate commercial motor vehicles, or fails to implement and enforce commercial motor vehicle regulations that are consistent with federal regulations, it risks losing much depended upon federal MCSAP grant funding.

- i. This bill would amend VEH § 34505.1 to add additional conditions when CHP may recommend the suspension of CPUC operating authority. While the USDOT may issue an out-of-service order for conditions not related to a carrier operating in conditions constituting an imminent hazard or unsatisfactory/unfit safety rating, this amendment would only include authority to recommend the suspension of the CPUC operating authority when the carrier is operating under conditions constituting an imminent hazard or unsatisfactory/unfit safety rating. This suspension authority already exists in the statute relating to a Basic Inspection of Terminals finding. Additionally, the statute would be restructured for ease of comprehension and to match the formatting in VEH § 34505.6, which pertains to a similar authority for a motor carrier of property. Section 34505.7 includes similar provisions.
- ii. This bill would remove the prohibition of mounting the identification lamps below the top of the windshield as well as the prohibition of a passenger vehicle being equipped with them.
- iii. Existing state law requires the name or trademark of the motor carrier operating a commercial motor vehicle (CMV) to be displayed on the sides of the vehicle. This bill would mirror federal requirements by authorizing an exception to the display of a carrier's name or trademark on a CMV rented for 30 days or less, when certain conditions are satisfied.
- iv. Finally, VEH § 29004 would be amended for federal conformity by removing the language relating to a slide back carrier tow truck. It would be changed to require four tiedowns for a vehicle transported on a truck or trailer on certain vehicles. This would ensure safe load securement of vehicles carried as a load on unregulated vehicles or combinations of vehicles. Additionally, this would fix a previous oversight, and ensure four tiedowns are required on a vehicle carried as a load, regardless of the type of connection between the transport vehicles.

- b) *Bicycles and pedicabs* [Source: Office of Assemblywomen Gonzalez]. This provision clarifies that an electric bicycle is a type of bicycle and that pedicabs may be electric.

Pedicabs are bicycles with three or more wheels capable of transporting passengers. They are often used to provide rides for hire. The current definition of pedicab leaves room for doubt about whether pedicabs may be electric bicycles, or if they have to be fully human-powered. On the one hand, the vehicle code specifies that “bicycles” are propelled exclusively by human power. On the other, the vehicle code defines an “electric bicycle” as a bicycle that meets certain additional specifications. In practice, this ambiguity has reportedly made it difficult or impossible for pedicab operators to acquire permits to operate electric pedicab services.

This provision expands the definition of bicycle to include electric bicycles and makes explicit that pedicab may be an electric bicycle.

- c) *Motorized scooters* [Source: Wheels Inc.]. This provision expands the definition of “motorized scooter” to also include a device that has a seat and footrests in place of the floorboard.

Over the past several years, there has been an explosion of innovative new types of micromobility devices. Not all of these fall neatly into existing categories of vehicles, which creates ambiguity about which rules of the road they must follow and how these vehicles may be permitted for deployment by cities. Most electric scooters deployed in California have the typical layout of a two-wheeled device that has handlebars and a floorboard to stand on. But providing a seat may make scooters more broadly accessible by reaching people who are not comfortable or unable to stand and ride, and existing law allows a motorized scooter to include a seat.

The company Wheels provides a shared mobility service on a device with a seat and footrests instead of a floorboard. They have been permitted as motorized scooters in some jurisdictions. However, their device doesn't fit neatly into the existing motorized scooter, electric bicycle, or moped definitions, so there have been question as to how they should be permitted and what rules of the road they should follow. Because they lack operable pedals (unlike an electric bicycle) and operate at lower speeds (unlike a motorized bicycle/moped), Wheels' devices is best classified as a motorized scooter.

This bill expands the definition of “motorized scooter” to also include a

device that has a seat and footrests in place of the floorboard. This classification is consistent with the international standards setting body SAE International's taxonomy of powered micromobility vehicles. Explicitly classifying such devices as motorized scooter clearly subjects them to the same rules of the road as other motorized scooters. For example, riders must hold a valid driver's license and may not ride on the sidewalk (both requirements that do not apply to bicycles). However, riders would not be required to hold an M2 motorcycle driver's license, as they would to ride a moped.

As innovative new form factors continue to evolve, California's vehicle classifications will need to continue to evolve with them.

- d) *Vehicle theft program reporting [Source: State Controller's Office]*. The Vehicle Theft Program allows a county to impose vehicle registration fees up to 2 dollars for every non-commercial vehicle and up to 4 dollars for every commercial vehicle. The Department of Motor Vehicles (DMV) collects these fees monthly, remits the fees to the SCO, and SCO pays the fees to the counties on a quarterly basis.

Counties must submit the revenue and expenditures used from this program to SCO, via the Report, by August 31st. If a county fails to submit their Report by November 30th, SCO informs DMV that the authority to collect a fee for that county is suspended for one year.

According to the SCO, counties routinely miss this deadline due to not receiving information on the 4th quarter payment for the preceding fiscal year until the last week of August.

As a result, counties either submit the report after the August 31st deadline or submit an incomplete report to meet the deadline and later submit a supplementary report. In either case, this creates unnecessary work for both the county and SCO.

Changing the August 31st date to November 30th would provide more time for a county to submit an accurate and complete report, reducing both SCO and county workloads. Additionally, this would ensure that a county would avoid having their authority to collect the fee suspended, as they will have ample time to include the 4th quarter data in a single on time report.

- e) *Lighting equipment regulations [Source: Alliance for Automotive Innovation]*.

California is only one of three states (OR and WA) to have their own rear fog lamp regulations. All other states defer to the federal regulations, which in turn reference the standards set by SAE International, a technical standards setting association. Currently, the California regulation for front fog lamps references out of date SAE International standards.

In the past, the CHP conducted its own engineering studies and implemented regulation due to a lack of recognized standards both in the automotive industry and the federal regulations. California, for many years set the standard for equipment items until the federal government took the lead in standardizing equipment. At some point, the SAE evolved to become a recognized industry leader in safety engineering and provided uniform standards for equipment of vehicles. Eventually, the CHP stopped hiring engineers to conduct our own regulation studies and simply followed the feds.

Historically, the adoption of most SAE standards were driven by the recognition of their use by the federal government in relation to Federal Motor Vehicle Safety Standards (FMVSS). California statute and regulation currently contains several sections which default to FMVSS (many based on an SAE standard) or an SAE standard which may not have been an otherwise required/regulated equipment federally.

There has been considerable pressure from the federal government to gain more consistency in requirements. Many of the more restrictive California regulations have been removed over time as the federal regulations evolved to become more uniform across the country.

RELATED LEGISLATION:

AB 1939 (Gonzalez, 2020) — would have clarified that an electric bicycle is a type of bicycle and that a pedicab may be an electric bicycle. This bill was held in the Assembly Transportation Committee due to COIVD-19 limitations.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21, 2021.)

SUPPORT:

California State Controller

OPPOSITION:

None received.

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

Bill No: SCR 26 **Hearing Date:** 4/27/2021
Author: Gonzalez
Version: 4/19/21 Amended
Urgency: No **Fiscal:** Yes
Consultant: Katie Bonin

SUBJECT: Detective Raul Vasquez Gama Memorial Highway

DIGEST: This resolution designates a portion of Interstate 710 in the County of Los Angeles as the Detective Raul Vasquez Gama Memorial Highway.

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 portion of Interstate 710 from post mile 19.730 to post mile 24.466 in the County of Los Angeles as the Detective Raul Vasquez Gama Memorial Highway. The Department of Transportation is requested to determine the cost of appropriate signage showing this special designation and, upon receiving donations from nonstate sources covering that cost, erect those signs.

COMMENTS:

- 1) *Purpose.* The purpose of this resolution is to memorialize the life and service of Detective Raul Vasquez Gama.
- 2) *Background.* Detective Raul Vasquez Gama began his career as a deputy with the Los Angeles Sheriff's Department in 1987 and served for more than 20 years. While serving he became the team leader for the City of Cudahy in which he introduced the "Meet a Deputy" program, a model of community policing now utilized by all Los Angeles County Sheriff stations to improve community relations.

Detective Gama was awarded a Medal of Valor in 2004 for rescuing four children and their parents after a runaway Union Pacific freight train crashed into the family's home. He further received more than 52 commendations in his career with the Sheriff's Department.

Detective Gama is survived by his wife Sandra, four children Monica, Crystal, Anita, and Marco Antonio, mother Ruth V. Gama, sister Hilda (Lance) Severson, and nieces Natalie Stone and Emily Severson.

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

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21.)

SUPPORT:

Association for Los Angeles Deputy Sheriffs
Los Angeles County Sheriff's Department

OPPOSITION:

None received.

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

Bill No:	SCR 27	Hearing Date:	4/27/2021
Author:	McGuire		
Version:	3/23/2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Katie Bonin		

SUBJECT: Jeffrey Stevenson Memorial Bike Path

DIGEST: This resolution designates a specified bike path in the County of Marin as the Jeffrey Stevenson Memorial Bike Path.

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 bike path, which was formerly known as Pacheco Hill Path, with entrances on the east side of Pacheco Creek Bridge and the intersection of Marinwood Avenue and Miller Creek Road in the County of Marin, as the Jeffrey Stevenson Memorial Bike Path. The Department of Transportation is requested to determine the cost of appropriate signage showing this special designation and, upon receiving donations from nonstate sources covering that cost, erect those signs.

COMMENTS:

- 1) *Purpose.* The purpose of this resolution is to memorialize the life and service of Dr. Jeffrey Stevenson.
- 2) *Background.* Dr. Stevenson was a veteran, avid cyclist, and advocate for injured workers' care. Dr. Stevenson served as president of the Marin Medical Society, volunteered at the Rotary Club of Novato Sunrise, and founded a non-profit soccer team for youth in Marin.
- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21.)

SUPPORT:

City of Novato
Marin County Board of Supervisors

OPPOSITION:

None received.

-- END --

This resolution designates the portion of State Highway Route 37 between the Atherton Avenue undercrossing at postmile R13.773 and its junction with State Highway Route 121 at postmile 3.900 as the Korean War Veterans Memorial Highway. The Department of Transportation is requested to determine the cost of appropriate signage showing this special designation and, upon receiving donations from nonstate sources covering that cost, erect those signs.

COMMENTS:

- 1) *Purpose.* The purpose of this resolution is to memorialize the contributions of Korean War veterans.
- 2) *Background.* The Korean War was a historically significant armed conflict, fought from June 25, 1950 to July 27, 1953, that featured a coalition of 21 United Nations member countries contributing to the defense of a democratic Korea. There was an estimated 929,000 military casualties. One hundred forty-five United States military personnel received the Congressional Medal of Honor for valor in combat and 14,388 received a Purple Heart, a statistic that personifies the extraordinary bravery and sacrifice of American military personnel throughout the conflict.

Despite the historical and global significance of the Korean War, and the extraordinary bravery and sacrifice displayed by American veterans, this conflict has become discounted and colloquially known as the "Forgotten War." As such, the author seeks to honor the bravery and resiliency of Korean War veterans with this Memorial Highway.

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

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

POSITIONS: (Communicated to the committee before noon on Wednesday, April 21.)

SUPPORT:

None received.

OPPOSITION:

None received.

-- END --