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Interim Executive Director

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200 Civic Center
Mission Viejo, California 92691

May 4, 2009

Dr. Elaine Chang
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Dear Dr. Chang:

RE: South Coast AQMD Proposed Rule 2301 Alternatives: OCCOG Board of Directors Comments

Over the past year, the Orange County Council of Governments (OCCOG) has actively participated on the PR 2301 Stakeholder Working Group, to represent the interests and concerns of Orange County jurisdictions and agencies on rule development. OCCOG has closely monitored said rule's development in consultation with both its Board of Directors and its Technical Advisory Committee.

The OCCOG Board of Directors has carefully reviewed the three alternatives that have been released, and are under consideration by the South Coast Air Quality Management District (AQMD) to implement PR 2301. Our discussion at an April 23, 2009 OCCOG Board meeting concluded with unanimous approval to submit the PR 2301 comments as listed herein.

In submitting these comments, the OCCOG Board emphasizes its general support of the PR 2301 proposal that has been submitted by the Building and Industry Interests. The OCCOG Board believes this alternative provides the most appropriate mechanism for implementation: utilizing the existing environmental review process as established by statute through the California Environmental Quality Act (CEQA). In contrast, the PR2301 alternatives authored by AQMD staff and the Environmental Community create new procedures that raise concerns over inefficiency and necessity.

The OCCOG Board of Directors therefore respectfully submits the following comments to assist in your agency's further review and discussion of the PR 2301 rule development alternatives:

1) The PR 2301 rule approach proposed by the Building and Industry Interests – which utilizes the existing CEQA process – should be evaluated and considered in an equivalent way as the AQMD staff approach.

2) Because of the significant correlation between PR 2301 and SCAG's separate efforts to implement the requirements of SB 375, there needs to be a stronger coordination between AQMD and SCAG efforts. This is particularly relative to similar goals under each regulation to reduce vehicle miles traveled. PR 2301 should recognize the opportunity to emphasize complementary, not duplicative, programs that will ultimately support other State climate change regulations. As such, it may be prudent to delay of adoption of PR 2301 so that coordination can occur with SCAG's preparation of the Sustainable Communities Strategy, which will likely contain complementary policies.

- A study on the cost effectiveness of each of the rule alternatives, as well as the emissions reduction measures, should be prepared to identify which proposals and measures are feasible, and to help identify alternative emissions reduction measures for consideration. In assessing cost effectiveness, the following considerations should be addressed:

- a) Programs that focus on changing the penetration of clean technologies, particularly for the automobile and light truck vehicle fleet, may be more effective at reducing emissions than VMT reduction strategies, and should therefore be considered as a potential emissions reduction measure to evaluate for cost effectiveness.
- b) The potential cost effectiveness of an off-site mitigation fee should be analyzed to identify if it should be an option for all of the alternatives.

In reviewing the PR 2301 alternatives that have been released, the OCCOG Board of Directors also shares with your agency the following rubric that has guided our discussions on rule development and which were endorsed by the OCCOG Board in May 2008. They are as follows:

- The rule should be as simple as possible.
- The approach for rule implementation must be concurrent with the development process.
- The rule should be implemented through the environmental review process under the California Environmental Quality Act (CEQA), as opposed to a separate process.

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- Local governments are the appropriate agencies to work with the development community to determine the mitigation measures and conditions that would be applied to a development project, including those measures as proposed under PR2301. Further, the determination and application of these measures should be conducted through a local government's review of development projects and said projects' environmental assessment under CEQA.
- PR2301 should not prescribe local jurisdictions to impose, and developers to execute, extensive land use and design changes on proposed projects, in order to achieve a specific emissions reduction target. Development project design features should be a collaborative process that balances emissions reduction land use requirements with technical, legal, economic and site considerations.

In our initial assessment, the PR 2301 rule alternative as proposed by the Building and Industry Interests most closely aligns with these principles.

We also recognize that issues regarding enforcement requirements under the federal Environmental Protection Agency (EPA) and applicability of emissions reduction measures as CEQA mitigation require further discussion and resolution, and we look forward to participating in these discussions.

Dr. Change, the Orange County Council of Governments appreciates the outreach efforts of the South Coast AQMD to include all stakeholders in the development, review and comment of PR 2301. We look forward to continuing to work with you throughout the rule development process of PR 2301, and we hope that the comments submitted in this letter provide guidance in the selection of a rule alternative.

Respectfully,



Cheryl Brothers, Chair
Orange County Council of Governments
Board of Directors

cc: OCCOG Board of Directors
Mr. Louis Bronstein, Aide to Orange County Supervisor Bill Campbell
Ms. Kathryn Higgins, South Coast AQMD
Ms. Carol Gomez, South Coast AQMD
Mr. Dennis Wilberg, OCCOG Interim Executive Director
Mr. Doug Reilly, PR2301 OCCOG Representative OCCOG Technical Advisory Committee
OCCOG Technical Advisory Committee