

**-DRAFT-**  
**Air Quality Conformity Task Force**  
**December 17, 2008**  
**Summary Notes**

Karina O'Connor, EPA Region 9 (phone)  
Stew Sonnenberg, FHWA (phone)  
Ted Matley FTA Region 9 (phone)  
Dennis Wade, CARB (phone)  
Mike Brady, Caltrans  
Dick Fahey, Caltrans District 4  
Diane Stark, ACCMA  
Marcella Rensi, VTA (phone)  
Matt Kelley, CCTA (phone)  
Greg Tholen, BAAQMD (phone)

Christy Riviere, ABAG  
Jason Munkres, ABAG  
Liz Brisson, MTC  
Chuck Purvis, MTC  
Ashley Nguyen, MTC  
Ross McKeown, MTC  
Sri Srinivasan, MTC  
Craig Goldblatt, MTC  
David Schonbrunn, TRANSDEF (phone)

**1. Welcome and Self-Introductions:** Ashley Nguyen (MTC) called the meeting to order at 10:05 AM. See attendance roster above.

**2. Summary Notes from June 9, 2008 Conformity Task Force Meeting:** There were no comments or questions on the June 9, 2008 notes.

**3. Transportation 2035 Update:** Ashley Nguyen summarized key project milestones since the last task force meeting. In July, the Commission adopted the investment strategy for the plan. Projected revenue has changed from \$223 to \$226 billion since the July Commission meeting due to the passage of 3 ballot measures in November: Prop.1A High-Speed Rail bond, Measure Q SMART District Tax, and Measure B BART to San Jose Tax. Since then, MTC has also prepared the Draft Transportation 2035 Plan, the Draft Environmental Impact Report for the Plan, and a host of supplemental technical reports. In October, MTC released "Building Momentum" actions which are discrete actions that the region could pursue to address gaps above and beyond what could be accomplished in the financially-constrained plan. These actions were discussed with stakeholders, partners and Commission. There will be continued dialogue regarding these actions through adoption of the Plan in March. MTC will release the Draft Transportation 2035 Plan and Draft EIR, along with other supplemental reports, on December 19 for public review. The conformity analysis will be released early January.

**4. Administrative Draft Conformity Analysis for the Transportation 2035 Plan and 2009 Transportation Improvement Program Amendment #09-06:** Ashley Nguyen stated that the conformity analysis serves to conform both the Transportation 2035 Plan and 2009 TIP Amendment #09-06. Ross McKeown (MTC) noted the conformity analysis for the TIP Amendment #09-06 will serve to re-conform the 2009 TIP, which was approved November 17, 2007 by FHWA and FTA. The amendment includes changes to existing projects and adding new projects into the TIP. Ashley added that Appendix A of the conformity report is the listing of projects in the TIP being amended, Appendix B is the full listing of financially constrained program of projects in the Transportation 2035 Plan, and Appendix C is the travel forecast assumptions used for the analysis. The emissions budgets for ROG, NO<sub>x</sub>, and CO are presented on pages 8 and 9. Tables 3a and 3b present results of emissions analysis, which shows the region's motor vehicle emissions are below the budget for each pollutant. The Transportation Control Measures (TCMs) are also described in the report, and Ashley pointed out that they are all fully implemented, including TCMs A through E from the 2001 Ozone Attainment Plan. The conformity findings on page 17 state that for both ozone precursors and CO, the region's motor vehicle emissions are below the SIP budgets.

Dick Fahey (Caltrans) asked about the review time for the administrative draft. Ashley stated that MTC needs all comments from the task force by no later than December 31. Staff will prepare a draft conformity report that be presented to MTC's Planning Committee on January 9.

David Schonbrunn (TRANSDEF) questioned the linear regression analysis of Bay Area gas prices, noting that gas prices are not linear. He commented that MTC should have used the 5-year regression which yielded an \$11.02 per gallon price versus the 10-year which yielded the \$7.47 per gallon price (which is the 2035 year gas price assumed for the conformity report). Chuck Purvis (MTC) concurred that there is nothing linear about gas prices, and he noted that if MTC used the \$11 per gallon figure, then VMT would be less and thus emissions would be less. Furthermore, David noted his agreement with increasing bridge tolls with inflation. He asked what process MTC used to review the BART to San Jose construction cost to ensure that it fits within the financially constrained RTP and TIP, noting that current figures shown are in 2005 dollars but 2008 cost estimates are being withheld by the project sponsor until the time of Plan adoption. Ross replied that MTC relies on project sponsors to submit cost information escalated to the year-of-expenditure, and Ashley added that this project is consistent with the Resolution 3434 Strategic Plan and Draft Transportation 2035 Plan. Marcella Renzi (VTA) stated the current figures are in year-of-expenditure dollars, and referred David to follow-up on the cost estimating question with their project development group. He then asked FTA and FHWA as to the basis for which MTC included "reasonably available funds" in the form of anticipated/unspecified revenues as part of its financial assumptions. Ashley replied that MTC had worked closely with federal partners about including anticipated/unspecified funds under the provisions of SAFETEA. Stew Sonnenberg (FHWA) will follow-up on this issue.

12/17/08 Update: Following the task force meeting, MTC, FHWA, and FTA discussed the inclusion of "anticipated/unspecified funds" as part of the Transportation 2035 Plan financial assumptions. Ashley provided the following explanation of the "anticipated/unspecified funds":

The inclusion of "Anticipated/Unspecified" revenue in the financially constrained portion of the RTP strikes a balance between past practice of only including specific revenue sources in existence or statutorily authorized, and the more flexible federal requirement of revenues that are "reasonably expected to be available" within the Plan period.

MTC staff performed a retrospective analysis of past RTP projections including a review of unexpected revenues that had come to the region but had not been anticipated or included in RTP projections before they occurred. Over a 15-year period, the San Francisco Bay Area can claim an annualized amount of roughly \$400 million (in 2008 dollars) from these "unanticipated" fund sources. These revenue sources include TCRP, Proposition 42, non-formula Federal funds, and Proposition 1B funding. MTC staff believes it is reasonable to anticipate that additional unspecified revenues will become available to the region over the course of the RTP. Staff has also consulted with the federal agencies to confirm that inclusion of these "anticipated unspecified" revenues meets the criteria for inclusion in the financially constrained portion of the Plan. MTC staff generated an estimate of these unspecified revenues by projecting the \$400 million figure forward at a 3% annual growth rate. Between FY 2014 and 2033 these revenues would total approximately \$13 billion.

Because these revenues are unspecified, they remain flexible for planning purposes and are not tied to a specific expenditure category. The revenues are not assumed to begin flowing until FY 2014; therefore, they are available to build a shelf of projects as part of the Plan, but are not assumed to be available during the first five-year period for programming. Further, because of the timing uncertainty, staff proposes that these funds be for capital expenditures and not on-going operations.

Sue Kiser (FHWA) confirmed that MTC presented the Partnership Board with the financial assumptions for the Transportation 2035 Plan in September 2007 wherein MTC Executive Director explained that a retrospective analysis of funding the came into the region showed that the region received additional revenue more than what was reflected in the previous RTP. At this meeting, Sue indicated that the

analysis was an acceptable method for identifying reasonably available funding and it was her understanding that this analysis would be basis for reflecting additional “reasonably available” funding for the Transportation 2035 Plan.

Ted Matley (FTA) concurred with the above explanation, noting that MTC underestimated revenue sources from several categories in the past. Based on MTC analysis of that situation, MTC believes that it is reasonable to assume that these funding sources will provide more funds that had projected in the past. Because the future assumption is based on history; this makes it reasonable. The RTP is financially constrained. This appears to be MTC’s situation. He found that the analysis and expectations seem fine.

Both Sue and Ted felt that the use of the word “unspecified” confuses the issue, and suggest MTC refer to these revenue as “anticipated”.

Matt Kelley (CCTA) asked which projects were added to Contra Costa County in the revised Appendix A TIP Amendment #09-06 project list. Sri Srinivasan (MTC) stated that the revised version adds in three projects to Contra Costa County: 1) Fitzuren Road widening and realignment, 2) Ygnacio Valley/Kirker Pass roads widening from Michigan Boulevard to Cowell Road, and 3) construct Phase 2 of Hercules Intermodal Station (includes station facilities and approximately 350 parking spaces).

Ashley stated that MTC will release the draft conformity analysis at the January 9 Planning Committee meeting for 30-day public review. She requested the task force submit comments on the admin draft by no later than December 31.

**5. Interagency Consultation Requirements for PM<sub>2.5</sub> Hot-Spot Analysis:** Liz Brisson (MTC) explained that the Bay Area is expected to be designated in non-attainment of the new 24-hour PM<sub>2.5</sub> standard on December 18, 2008. One year after the effective date of the designation, project sponsors of “Projects of Air Quality Concern”, which are projects that will result in a significant increase in diesel traffic, will have to complete PM<sub>2.5</sub> hot-spot analyses, which involves interagency consultation to evaluate and choose methods and assumptions used in the analysis.

Three other regions in California are non-attainment for PM<sub>2.5</sub> and have interagency consultation processes for PM<sub>2.5</sub> hot-spot analyses in place: 1) SCAG requires project sponsors to submit a form to their Transportation Conformity Working Group with key project information, whose members then concur as to whether or not the project is of air quality concern. Projects that are of air quality concern then submit the complete hot-spot analysis for concurrence by the task force; 2) SACOG follows SCAG’s process with their Regional Planning Partnership; and 3) San Joaquin MPOs circulate emails to their Model Coordinating Committee and discuss them at monthly meetings.

MTC proposes the following 2-step process for facilitating interagency consultation through the Air Quality Conformity Task Force: 1) using project information provided by the project sponsors as entered through the TIP’s online FMS, MTC would conduct a first-level screen to identify TIP projects that are and those that are not projects of air quality concern and seek concurrence action by task force; and 2) sponsors of projects of air quality concern would subsequently submit information to task force regarding the assumptions and methods to be used in analysis for concurrence by task force.

Karina O’Connor (EPA) asked what information MTC will collect from project sponsors to determine projects of air quality concern and whether that information will be available to consultation members. Ashley explained MTC has an existing process for the TIP that allows project sponsors to submit project information online through the FMS database and that MTC would add relevant fields regarding diesel traffic to the database based on the form developed by SCAG. MTC could then generate a report that identifies projects of air quality concern or not, and circulate to the task force.

Mike Brady (Caltrans) said that the proposed process is a good idea and appears to be an improvement over processes from other MPOs. He asked whether MTC would then be doing batch consultation on most projects in the TIP. Ashley said that our aim is to collect all the necessary information at the time a project sponsor adds a project into the TIP, and then batch the information into a single report for the task force's review. This will help to streamline the process for the project sponsor, MTC and the task force.

Karina asked how frequently project sponsors submit information to the TIP. Ross replied this occurs whenever a new project is being added to the TIP and is not on a particular schedule. She asked how projects exempt from project-level conformity will be identified in the process. Ashley answered that there would be fields about exempt/nonexempt status on the form to be completed by the sponsor. In addition, MTC would review project sponsor's submitted information and if there was disagreement regarding the information submitted, MTC would contact the project sponsor and consult with the task force as needed.

Mike commented that this proposed process will allow better information to be collected and verified up-front as to when projects are exempt or not and where they fall on the continuum regarding PM<sub>2.5</sub>. MTC is fortunate to have the database capability to collect information in this way. Ross added that MTC would add fields but that the database already has these capabilities and will allow project sponsors to know up-front they will need to meet the requirements.

Mike asked whether MTC tracks projects once they are programmed and the NEPA process is complete. There will be a group of projects up-front that have already cleared the NEPA process that will need to meet the new requirement (e.g. if the project is coming up for construction approval). Ross stated that for existing projects MTC would send out a notice to project sponsors to provide the basic information to clear the projects that already have cleared NEPA but will still be subject to the new requirement. MTC would implement this process beginning in the new federal fiscal year October 1, 2009 prior to the new requirement taking effect.

Stew Sonnenberg (FHWA) asked whether there is a workshop or training that is available for project sponsors to learn more about the requirements and from the experience of other regions. Mike stated that he could work with MTC to try to put together something for the Bay Area region. Ashley added that this training could be married together with MTC's TIP workshops, and Mike concurred and will work with MTC to integrate this in future TIP workshops.

Ashley asked Karina whether the December 18 deadline for PM<sub>2.5</sub> attainment designations was still on target. Greg stated that the December 18 date is a court mandated date. Karina said that notices will be posted on the EPA website and in the Federal Register.

Greg Tholen (BAAQMD) asked how PM<sub>2.5</sub> precursors are addressed in the conformity analysis. Karina stated that the Bay Area will not need to re-conform the RTP and TIP until a year after the *effective date* of designation which will not be until April. Mike added that for project-level conformity with a qualitative analysis, this analysis only covers directly emitted PM<sub>2.5</sub>, not precursors. However, this can change after a SIP is adopted if the SIP finds that precursors are a significant part of the region's PM<sub>2.5</sub> emissions. Karina added that the rules are being amended as to how PM<sub>2.5</sub> conformity must be done for the region, and that this information will be coming out in the next few months. She added that she did not know when the new implementation guidance on PM<sub>2.5</sub> will be coming out, as many documents have been delayed in anticipation of the transition in administration, but she will follow-up with this information.

**6. Overview of ABAG's Projections 2009:** Christy Riviere (ABAG) walked through a presentation that ABAG has been giving to local governments throughout the region. ABAG developed a set of performance targets similar to the ones MTC used to develop the RTP, adding in a new target of limiting

greenfield development to 900 acres/year (rather than the current 2,000/year), and changing the equity target to increase non-automobile access to jobs and services by 20%. Land use is particularly important in the Bay Area because the share of CO<sub>2</sub> emissions associated with transportation is 50 percent, compared to 38 percent statewide in California. There are disparities in transportation emissions/household across the region ranging from about 17 lbs/day in urban, dense areas (San Francisco, Berkeley) to 53 lbs/day in locations with less density and transit. ABAG has prepared two land use scenarios. 1) "Scattered Success" is a continuation of Projections 2007 which makes some policy assumptions that cities will adopt policies supportive of transit-oriented/infill development 2) "Focused Future" assumes more aggressive infill and transit oriented development. "Focused Future" reduces growth in North Bay and shifts it to Alameda County and South Bay where there is more access to transit and jobs. There are many other changes besides land use that will contribute to CO<sub>2</sub> emissions reductions (infrastructure, pricing, technology, behavior change). Across all the performance targets, the "Focused Future" scenario gets closer to the target than "Scattered Success".

Ashley asked about the schedule for adopting the projections. Christy stated that ABAG took public comments on the two scenarios through early December. ABAG will put together a third alternative that takes into account local government input which will come out in January. ABAG will take comments on the third alternative through the end of February. Final projections will be adopted by ABAG Executive Board in March. Christy pointed out that the process being used for Projections 2009 is an early step towards meeting the new requirements of SB 375. ARB will be giving each region an emissions target. Ashley added that the first RTP subject to SB 375 will use Projections 2011. Christy commented that forecasts may be delayed to perhaps 2013 to better align with the RTP schedule because the transportation investments identified in the RTP must be accounted for in the forecast assumptions.

**7. Air Quality Updates:** Greg stated that ARB is due to submit recommendations for the new federal 8-hour ozone standard designations, and will be recommending the Bay Area in non-attainment of that new standard. Data shows Bay is close to the standard but above. Also, BAAQMD is updating their CEQA guidelines and will be having workshops to gather public input. Through this process, BAAQMD will revisit the current thresholds of significance, set thresholds for greenhouse gases and revise Toxic Air Contaminant (TACs) thresholds.

Dennis reported that ARB approved the AB 32 Scoping Plan, and the private fleet rule for diesel trucks last week. And, Mike stated that ARB sent a response letter to EPA's letter of intention regarding PM<sub>2.5</sub> attainment statuses which is posted at EPA's website.

**8. Other Business/Next Meeting:** Meeting adjourned at 11:05 AM.