

Agenda Report

Attention: Legislative Committee

TO: CITY COUNCIL April 22, 1998

FROM: City Manager

SUBJECT: AB 2194 (Washington)
Support of Air Pollution Reauthorization of Clean Fuels Program Funding

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution and authorize the Mayor to send a letter to the appropriate officials *supporting* Assembly Bill 2194 (Washington - Vehicle Fees: Pollution Reauthorization of Clean Fuels Program Funding Mechanism), which would continue to provide funding for the Clean Fuels program through a \$1 vehicle registration fee.

BACKGROUND

Assembly Member Washington introduced Assembly Bill 2194 which proposes an extension of current legislation that funds the Clean Fuels Program with the South Coast Air Quality Management District (SCAQMD) through a \$1 motor vehicle registration fee. The fee is currently scheduled to expire on August 1, 1999.

The Clean Fuels Program finds and nurtures clean fuels technologies and creates public-private partnerships to invest in these research and development projects (matching every \$1 collected from vehicle renewals in the SCAQMD with \$4 from private industry). Although the South Coast Air Basin has made progress in improving air quality, our air exceeds health standards on 1 of every 4 days and has the largest U.S. population exposed to unhealthful air.

Staff recommends supporting Assembly Bill 2194. This legislation would extend the collection of the \$1 vehicle registration fees in the South Coast District to August 1, 2010, the year when the South Coast region is required to meet current Environmental Protection Agency (EPA) health standards for ozone under the Federal Clean Air Act.

According to the SCAQMD, 40% of these mandated emission reductions rely upon advanced technologies which do not exist today. Disruption of this funding source could result in the end of the Clean Fuels Program and an end to the development of these technologies.

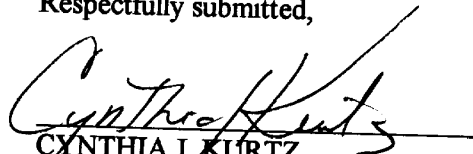
The Clean Fuels Program has 87 public-private partnerships currently developing new technologies to combat air pollution. This program has been instrumental in the development and deployment of low- and zero-emission technologies in critical transportation applications, including advanced electric cars, the world's first fuel cell buses, liquefied natural gas locomotive engines, and other projects. In addition, these projects benefit the Southern California economy.

Assembly Bill 2194 is supported by the South Coast Air Quality Management District and the Los Angeles County Division of the League of California Cities.

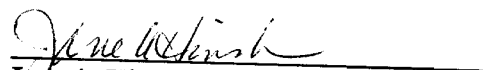
FISCAL IMPACT

Passage of Assembly Bill 2194 would mean that the funds currently generated for the Clean Fuels Program would continue to be collected until August 1, 2010 through motor vehicle registration.

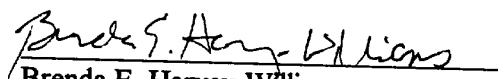
Respectfully submitted,


CYNTHIA J. KURTZ
Acting City Manager

Prepared by:


Jane A. Hinshaw
Public Works Supervisor

Approved by:


Brenda E. Harvey-Williams
Finance and Management Services Administrator