



www.arclimatechange.us

MEETING SUMMARY
ARKANSAS CLIMATE CHANGE ADVISORY COUNCIL
Transportation and Land Use Technical Work Group
Call #11, September 16, 2008

Attendees:

TWG Members: Elizabeth Martin, Art Hobson, Cindy Sagers, Gary

Advisory Body Members: Lynn Malbrough, (Steve Cousins, guest commission member)

Governor's Office: Jillian Hicks

Center for Climate Strategies: Lewison Lem, Jason Miles, David Shelton

Members of the Public: Lane Kidd, Arkansas Trucking Association

Background Documents: (all posted at www.arclimatechange.us/TLU.cfm)

- Meeting Notice and Agenda
- Summary of Call # 10
- AR TLU Policy Memo
- PowerPoint for Teleconference
- Policy Option Document

Discussion and Conclusions:

Introductions

Lewison Lem welcomed the group and roll call was taken.

Haven't fully updated the POD, but we have updated the fuels numbers.

Want to use the time today to talk about the fuels issues as those numbers weren't available at the last meeting.

Review and Approval of Prior Call Summary

Meeting summary from call #10 – No comments – Betty Martin moved for approval – Art Hobson seconded the approval of the meeting #10 call summary.

Review of Policy Options:

TLU-3

David Shelton discussed what other states are examining. California has an executive order implementing the low carbon fuel standards. Iowa has the most aggressive policy but it has not been approved yet, looking for a 20% reduction in carbon intensity. Maryland is looking at 5%. Other states are looking at a 10% displacement by 2010 and a 20% displacement by 2020. None of the states have attempted to have it be purely advanced biofuels. Page 12 of the POD examines different levels of fuels going out to 2025.

Renewable fuels column should say, “alternative fuels” – the last column which says advanced fuels should say “advanced biofuels”.

The other major revision to the analysis is in the cost effectiveness numbers. This number has increased because the federal tax incentive was removed. It was previously seen as a cost to this policy as it was a tax incentive, but the agreement was that this burden was borne by all federal tax payers and was not state specific.

Page 13 – there is a phrase about cost & not receiving federal subsidies.

Cost of ethanol vs. the cost of gasoline show increasingly cheaper ethanol when you compare it to gasoline, showing that people will be saving money going out to 2025.

Cost effectiveness is proposed up by the subsidy.

Lewison – examined what is the cost of the subsidy by the state.

Steve Cousins – the federal tons are reductions that have already been passed, so as part of the state mandate that overlaps the federal, it may not be fair to take credit for it, but it’s going to happen.

Lewison – Part of the policy document identified reductions from recent actions which will include the federal reductions. The question is whether you want to credit it to the federal action, the state action or split it in some manner.

David – This policy option does reflect the federal mandate – we called it federal plus in the out years, by bumping up percentages in the out years and included more aggressive biodiesel percentages then are called for in the federal mandate. These are the numbers the state could take credit for.

Lewison – hoping the total is correct for the combined effect of the federal and state.

Steve – It’s going to be virtually 100% federal until you get to the out years and probably 90% from there on out because the federal mandate is pretty aggressive and this is the only area where the federal government has acted in this area.

Lewison – There may be two significant numbers from the federal standards, one from café and one from the mandates. Questioned if the total number seemed right.

Steve – Doesn't like going above the federal mandate, but feels that the manner in which the numbers are presented are accurate. Does not feel that we'll meet the federal mandate as is and so to have mandates higher than this seems counter intuitive. Feels the federal government overreached on this issue.

Betty agreed with Steve's point.

Art – requested that we get to TLU 11 on this call.

Lewison – a link between TLU-2 & TLU-3 came up at the last commission meeting. Lewison questioned if there was any more that we should do for TLU-2 & TLU-3.

Betty – Felt there was a fair bit of linkage between the two. Suggested leaving them separate as that's the way we'd been working with them up to this point.

Lynn – In relation to TLU-2 & TLU-3 the DOT does not have much input, more focused on TLU-7 and TLU-11.

Betty – what do we do about TLU-2 and TLU-3.

Lewison – we would make the change of splitting the numbers into the state and federal numbers and should then be ready to submit that to the full commission.

TLU-2 & TLU-3 – The quantification numbers & cost estimates will be split into state and federal numbers.

Art – requested to talk about 7 & 11.

TLU-7

Art – The seventh bullet under policy design – should be deleted. Under implementation mechanisms the third from last bullet should also be deleted.

Lane Kidd – Discussing the potential of utilizing longer trucks under discussion. It would be going to double 48's and this would be a major change as far as the trucking allowed on the highway system. Some of the western states may allow this, but Arkansas allows double 28's & not double 48's. This would be a major change as far as size, particularly after you get off the interstate system.

Art – Then felt we should also eliminate the second to last bullet, but was not sure whether the full commission was in favor of deleting both of these as well.

Art – another deletion to be consistent – in first paragraph of the policy description, the last 2 sentences should be omitted.

Lewison – Noted that the second ½ of the sentence should be kept. Language: “The state should offer incentives to truck carriers to invest in low emission engines.”

Lynn – From the highway department standpoint, there is concern about the weight, but this has been addressed. Wanted to be sure that everyone was aware that the trucks proposed weren't double 28's but were double 48's, making the trucks over 100ft long.

Art – Under policy design, the second bullet – we want to include river shipping.

The paragraph stating with “Allowing longer-length tractor semi-trailers....” Should also be removed under quantification methods.

Lewison – we'll be sending out another document out by email to reflect these changes prior to the next GCGW meeting.

TLU-11

This one was not taken up by the full commission.

Art – Is a solid supporter of this option. We're only looking at the 60 mph limit.

Lynn - Speed limits are set by the Arkansas highway commission, but this is usually done by the request of the governor or the state legislature. Another issue is if a national speed limit is implemented which the commission must comply with. Currently this is left up to the states.

Lewison – “The recommendation for consideration of speed limits for interstates would be made to the Arkansas Highway Commission. “

Art – By 2025 you would reduce by 20 million tons of CO2 with a great savings and this would also save lives.

Lynn – This goes back to enforcement – actual speeds are currently higher than the posted limit, but it's difficult to cover the state with the limited highway funds. It's a matter of resources and costs. The tighter you make the restrictions, it has to be a higher cost option, because of these cost variables. People have to think they are going to be ticketed.

Cindy Sagers – wanted to discuss TLU-2 and the quantification for this option. Also questioned whether there would be another meeting.

Cindy – Suggested either eliminating the dollar amount for the option or we quantify it. There is a \$4 million price tag on the option and there is the question as to where this money is coming from.

Betty – Believes that most of the money would be coming from outside resources and that the state would not be liable for the R&D money. This would be coming from federal and private grants.

Cindy – The goal states that the state shall provide the \$4 million.

Betty requested emailing Bill Reed who was originally responsible for policy development.

Art – agreed that Lewison should contact Bill as well. Bill is trying to get some research money that was removed last year from the house.

Art – We may want to remove the specifics and leave it more general – suggested omitting the third sentence and in the 4th sentence just say “redirected funds” and some additional amount should be provided.

Betty – TLU-2 is for R&D. TLU-3 is a production incentive for alternative fuels – it does not talk about R&D, but talks about production companies, production of the fuels – TLU-3

Art – TLU-2 needs to be dropped while TLU-3 is what we want.

Cindy – What can we do to promote R&D of biofuels in Arkansas.

Art – I thought that’s what TLU-3 was doing.

Lewison – We could provide a general language of support for R&D . The question is whether you believe we can get to TLU-3 w/o TLU-2 or whether there is an additional benefit from doing TLU-2. The policy could be more generally supporting the idea of R&D.

Cindy – This policy option will assist in the development. Skip the funding statement.

Art – questioned what Bill Reed had said at the last meeting and that he might not be happy about not getting his appropriations.

Lewison – The policy should then provide more general support of R&D through Arkansas University systems.

Cindy offered to do what she can to clear up the language which would be provided by Lewison.

Art – Delete all references to specific amounts of money and any specific house bills.

Lewison will send out an email to Betty, Art, and Cindy with the updated language, but would like them to take a further look at the language to be sure the language is clear. Lewison will put in the basic language, send out to Cindy who will review by Friday for submission to the full council.

Betty – Suggested a quick meeting on Friday to review any outstanding issues.

TLU-9

Art – Supports the Feebate idea – tax on gas guzzling cars at the point of sale and a rebate for gas-sipping cars at the point of sale. Might need to develop estimates for this.

TLU-3 & TLU-11 have been approved through this group call.

Agenda, Date and Time for Next Meetings

The next meeting is scheduled for:

- The group agreed to have another follow up call this Friday, September 19th from 11am CDT to 12pm CDT. The group will be revisiting policy options 2, 6, 8, & 9.

Public Comments and Announcements

No public comments or announcements.