Overview: Safer Affordable Fuel Efficient Vehicles Rule & California Emissions Standard Waiver

What are the SAFE Vehicles Rule and California Emissions Standard Waiver?

In August 2018, the National Highway Traffic Safety Agency (NHTSA) and the U.S. Environmental Protection Agency (EPA) proposed the Safer Affordable Fuel Efficient (SAFE) Vehicles Rule. The proposed rule would freeze the national fuel efficiency standard at the 2020 levels. The rule also proposes a "50 state solution" that would repeal California's higher fuel efficiency standards, designed to address California's unique air quality challenges. If finalized, repeal of this waiver would revoke California's authority to implement the Advanced Clean Cars (I and II) and Zero Emission Vehicles (ZEV) mandates. Revoking these mandates would negatively impact the state's ability to meet its greenhouse gas and criteria pollutant emissions reductions goals, as well as public health, housing, equity, and goods movement goals.

Who is Affected?

The SAFE Vehicles Rule and repeal of California's waiver would prevent some MPOs from adopting their Metropolitan Transportation Plans (MTPs), which include a Sustainable Communities Strategy (SCS). This would affect project sponsors (jurisdictions) within those MPO regions.

- The first MPOs affected are those whose MTPs are about to expire **AND** that have dirty air (are non-attainment or maintenance for air quality conformity).
- The first MPOs to be affected would be SACOG, Southern California Association of Governments (SCAG), and Butte County Association of Governments (BCAG).

What Does This Mean for SACOG?

- **Federal Department of Transportation won't approve our MTP/SCS.**
    - The SAFE Vehicles Rule would change our assumptions about how clean tomorrow's cars will be.
    - Our ability to demonstrate progress towards our clean air targets relies a lot on our assumptions about the greening of tomorrow's cars.
    - The SAFE Vehicles Rule would invalidate the emissions model (EMFAC) used to show that we're meeting our clean air targets (air quality "conformity") for attaining clean air.
    - If we can't show we are on track to attain our clean air targets, the federal government won't approve our MTP/SCS.
- **SACOG can't adopt a Sustainable Communities Strategy.**
    - State law also requires that a Sustainable Communities Strategy demonstrate "conformity" with state and federal clean air targets.
    - Without a model to demonstrate this, SACOG could not adopt an SCS.
- **Jurisdictions won't compete for certain state funding programs, such as the SB 1 Congested Corridors Program and Trade Corridor Enhancement Program, SB 1 Local Partnership Program, and Affordable Housing & Sustainable Communities Program, and some of SACOG's formula funds could be at risk.**

  - We need an SCS to compete for programs such as the SB 1 Solutions for Congested Corridors Program (SCCP), Trade Corridor Enhancement Program (TCEP), SB 1 Local Partnership Program (LPP), and the Affordable Housing and Sustainable Communities (AHSC) program; all the impacted regions could be made ineligible.
  - For the SCCP, TCEP, and AHSC programs, state law refers to an SCS that meets greenhouse gas reduction targets as part of eligibility requirements.
  - For the Local Partnership Program and SB1 formula funds that come to SACOG, current guidelines require an adopted SCS, but state law provides more flexibility.
  - In the last round of funding, jurisdictions in our region received $125 million from the Congested Corridors Program, $32 million from Local Partnership Programs, and $34 million from AHSC.
  - SACOG receives roughly $775,000 annually from the SB1 Sustainable Communities Formula program for work that furthers the objectives of our MTP/SCS—current Caltrans guidelines for the program require a region to have an SCS that meets the region's greenhouse gas target to be eligible for these funds.
- **Most federally funded work can continue for a year during a federal grace period.**
  - The federal government offers a one-year grace period following the expiration of the 2016 MTP/SCS. Our 2016 plan expires in March 2020.
  - After the SAFE Vehicles Rule comes out, sponsors of federal aid projects could continue authorized work and start work (obligate or authorize federally reimbursable work) and could spend (receive reimbursement for) federal transportation dollars on projects that are consistent with the 2016 MTP/SCS and Metropolitan Transportation Improvement Program (MTIP).
  - However, sponsors would have limited flexibility in changing the timing and scope of some types of projects. To mitigate this risk, we just amended the MTIP to make urgently needed changes.
- **After the one-year grace period, certain types of projects would face delays.**
  - After the MTP/SCS expires in March 2020, and after a one-year grace period ends in March 2021, if we are still unable to show we can attain our clean air goals, certain projects would not be allowed to start certain phases of work.
  - Only "non-exempt projects," would face delays. These are projects that are not exempted from air quality analysis requirements, such as road widenings, capacity increases to highways, and fixed guideway (e.g., light rail) expansion projects.
  - Projects that are exempt from air quality analysis, such as bicycle and pedestrian projects, safety, transit vehicle replacements, bridge rehabilitation, and road maintenance/rehabilitation projects, would mostly be unaffected by the SAFE Vehicles Rule.