

Transportation & Land Use Meeting #10b
January 17, 2007, 4:00-5:30 PM

Attendance:

TWG Members:

Daren Bakst
Denise Choy
Anne Coan
David Farren (substitute for Marilyn Nixon)
Scott Lane
Carolyn McCormick
Anne Tazewell
Skip Yeakel

NCDAQ Staff:

Phyllis D. Jones

CCS Staff:

Will Schroeer
Lewison Lem
Wendy Messenger

Public Members:

None

“Housekeeping” Items:

- Will Schroeer explained this call has the same purpose of last week’s call, to allow those who did not receive last week’s materials in time (due to a glitch in the email server) time to review the materials before discussing them.
- Please review summaries of calls 8 and 9, and send comments via email to Will Schroeer.
- Will Schroeer went over the 10 step work plan
- Phyllis Jones responded an end date for the CAPAG process has not been determined but the process is scheduled to end in the fall.

Review of the first round of policy options analysis:

- Implementation policies will continue to be developed by the CCS team – please send any comments / suggested language to Will Schroeer.
- Will Schroeer explained the process of policy option development. CCS takes the lead in analysis with as much input and guidance from the TWG members as possible to tailor the options to NC.
- CAPAG requested change of language in the policy options “coverage of parties” to “parties involved”, as being clearer. Several TWG members commented that this

new term would include additional parties; for example, in TLU-1, homeowners/landowners/consumers. That language will be added.

- The legislative group would like early policy options that seem to have a consensus. Biofuels was suggested, particularly in light of potential upcoming tie-in to new legislation.

TLU-1a: Land Use Planning Bundle:

- Will Schroerer reviewed TLU-1a: Land Use Planning Bundle, briefly explaining the methodology used for quantification.
- The option has been fleshed out so the goal is more apparent.
- Anne Coan raised the question of whether this calculation is only for urban areas, where implementation might be more cost effective. Will Schroerer responded that it was statewide. Anne Coan expressed that she did not agree that this proposed action should be recommended for all counties in the state, and especially not to rural areas.
- Anne Coan asked if the group thought the time line was too ambitious. Anne Tazewell expressed that there might be a problem since there currently isn't much integration between land use and transportation within the state. Will Schroerer responded that the timeline was in line with CAPAG suggesting an aggressive stance, but the TWG's concern about the timeline can be incorporated into the language.

TLU-1b: Multi-Modal Transportation Bundle:

- Will Schroerer reviewed TLU-1b: Multi-modal Transportation Bundle, and reminded the group a half-day meeting had been devoted to this item.

There were no questions/comments from the group. Will Schroerer offered that the group could email or call him should any questions arise.

TLU-3a: Feebates to Raise Revenue

- Will Schroerer reviewed TLU-3: Feebates to Raise Revenue.
- Will Schroerer explained analysis is in progress. As a first-round analysis, what some might call a modest average fee would produce a revenue stream that could fund very substantial Transportation Demand Management (TDM) programs.
- Anne Tazewell suggested the language be expanded to include a broader range of programs.
 - **Action Item:** CCS will draft new language to incorporate broader range of programs, beyond TDM, in the TLU-3 language.
- Ann Coan suggested removing language that addresses specific bill numbers.
 - **Action Item:** CSS will remove language referencing specific bills.

TLU-3b is in the process of analysis

TLU-4, Truck-stop Electrification

- Will Schroerer briefly reviewed TLU-4: Truck-stop Electrification.
- Skip Yeakel suggested some possible back of the envelope approaches to quantification.

TLU-5: Tailpipe Standards:

- Lewison Lem reviewed the proposed approach to TLU-5: Tailpipe Standards.
- There were no comments or questions from the TWG.

TLU-6: Biofuels Bundle:

- Lewison Lem reviewed the proposed approach to TLU-6: Biofuels Bundle, including new, more detailed policy language based on the January 10th conference call.
- The floor of numbers used for calculations will be pulled from the Agriculture and Forestry working group, based on state production of alternative fuel sources. The consumption targets would be above these.
 - Three options have been added to the implementation mechanism with the goal to increase market penetration.
 - There are 2 AFW options that complement biofuels on the consumption side:
 - AFW-2: Biodiesel Production
 - AFW-6: Policies to Promote Ethanol Production.
- Anne Tazewell will review Lewison's revisions and provide feedback.

TLU-7 is in the process of analysis**TLU-8: Idle Reduction/Elimination Policies:**

- Will Schroeer reviewed idle reduction strategies in TLU-8.
- Assumption that the government fleet will implement the policy separately.
- Will asked Skip Yeakel to take a look at the methodology and provide comments at his convenience.

TLU-9: Diesel Retrofits and Retirement:

- Calculations are in progress

TLU-10: Fuel Tax/Fee

- Will Schroeer reviewed TLU-10, explaining that CCS chose 50 cents a gallon as an example. This level places this policy option as the greatest potential source of emissions reductions in the current list.
- Members of the TWG expressed concern that 50 cents was too high.
 - Anne Tazewell replied the fee is probably too high and unrealistic because NC has the 5th highest fuel tax in the US.
 - Anne Tazewell stated a more realistic goal may be 10 ¢/gallon.
- The group agreed that the CAPAG can make the judgment, based on figures provided in 5 to 10 cents increments within the policy option.
- Skip Yeakel asked if it was possible to include language to exempt commercial vehicles from the tax, given the ripple effect on prices of consumer goods. Will Schroeer responded that that would be a decision of the CAPAG, and that the option could be raised to the CAPAG. Skip Yeakel will provide the percent consumption of fuel by commercial vehicles, which he estimated to be around 20-30 percent nationally.

TLU-11: Pay-as-you-drive Insurance

- Will Schroeer reviewed TLU-11.
- Anne Coan expressed hesitation regarding the policy option, due to the highly regulated insurance industry within the state. She will provide information to Will Schroeer regarding the barriers.

Call to the public:

- No public present

Upcoming meetings:

- Carolyn McCormick requested meeting notes be sent prior to the January 24th CAPAG meeting.
- Will Schroeer reviewed the schedule for future TLU TWG calls:
 - February 13, 12:00-1:30 pm
 - March 13, 12:00-1:30 pm
 - April 10, 12:00-1:30 pm
 - May 22, 12:00-1:30 pm
- Members should e-mail Wendy Messenger (Wmessenger@icfi.com) regarding their availability for future TLU TWG calls.