

Date of Hearing: April 16, 2018

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 2919 (Frazier) – As Amended March 19, 2018

**SUBJECT:** Transportation: permits

**SUMMARY:** Requires the Department of Fish and Wildlife, the State Water Resources Control Board, and the California Coastal Commission to complete their reviews of environmental permits within two years of receiving a completed request from the Department of Transportation (Caltrans) and requires the permit to be deemed approved within those two years if these resource agencies fail to complete their review.

**EXISTING LAW:** Regulates development activities that would otherwise be prohibited by law by establishing permit programs to ensure that such activities are carried out in a manner that safeguards, for example, endangered species, waterways, cultural resources, and air quality.

**FISCAL EFFECT:** Unknown

**COMMENTS:** Transportation projects can take many years from inception to construction and operation. Project sponsors and applicants must maneuver through a multi-stage development and review process that includes environmental impact review and mitigation, design and engineering, right-of-way acquisition, financing, construction and other related requirements. Delays in the permit approval process are common and, because of the traditional sequential project approval and permitting processes, can greatly extend the length of time needed to complete a particular project. In fact, Caltrans needs to comply with over 100 different state and federal environmental laws and potentially interacts with over 30 local, state and federal agencies depending on the project. According to the California Transportation Commission (CTC), "The current state environmental permitting processes for transportation projects lead to increased costs and less efficient project delivery. Obtaining all necessary environmental permits and approvals from responsible agencies is a critical milestone in the project development process. If permits are delayed—whether due to insufficient staffing levels, competing priorities, or other factors affecting the responsiveness of the permitting agency—a project will be delayed and costs increased.

"Caltrans and other agencies often provide funding to support staff in resource agencies to facilitate timely review of project permitting and approval requirements. It continues to be a challenge, however, to achieve the early engagement of resource agency staff necessary to reduce uncertainty in project development, and to ensure resource agencies are adequately staffed. In addition, requirements of different permitting agencies can be in conflict, increasing uncertainty. Early engagement of permitting agencies, and a commitment to reasonable deadlines for permit approvals, would improve the predictability and management of the project development process, and in turn, reduce the cost of delivering critical infrastructure."

Recognizing the need to reduce inefficiencies, prevent project delays, and expedite environmental review and permitting of transportation projects, the CTC recommended in its 2016 Legislative Report that the Legislature create a task force comprised of state environmental permitting agencies and transportation entities in order to establish a process for early engagement of all parties in project development to reduce permit processing time, establish

reasonable deadlines for permit approvals, and provide greater certainty of permit approval requirements. In response to CTC's recommendation, the Legislature passed AB 2812 (Mullin), Chapter 643, Statutes of 2017, which directs the Secretary of the California State Transportation Agency (CalSTA), by April 1, 2018, in consultation with the Secretary of the Natural Resources Agency, to create a Transportation Permitting Task Force. By December 1, 2019, the Secretary of CalSTA is required to prepare and submit a report of the task force's findings to the appropriate legislative policy and fiscal committees. CalSTA is currently finalizing the taskforce's membership and setting meeting dates in the coming months. Additionally, SB 1 (Beall), Chapter 5, Statutes of 2017, directs Caltrans to generate up to \$100 million annually in transportation project efficiencies. The author contends reducing environmental delays can be part of these efficiencies.

According to the author, "In order to deliver transportation projects, including SB 1-funded projects, in a timely, efficient and predictable manner, AB 2919 requires key resource agencies to complete their reviews of environmental permits within two years of receiving a request from Caltrans. If these resource agencies do not complete their review within two years, AB 2919 requires the permit to be approved. AB 2919 builds on the momentum already made by the Legislature and allows transportation projects to be delivered effectively, efficiently and with certainty by requiring a due sure date for all environmental permits."

*Double referral:* This bill will be referred to the Assembly Environmental Safety and Toxic Materials Committee should it pass out of this committee.

*Previous legislation:* SB 1 (Beall), Chapter 5, Statutes of 2017, directs Caltrans to generate up to \$100 million annually in department efficiencies.

AB 2812 (Mullin), Chapter 643, Statutes of 2017, directs the Secretary of CalSTA, by April 1, 2018, in consultation with the Secretary of the Natural Resources Agency, to create a Transportation Permitting Task Force.

AB 189 (Horton) of 2005, would have established a pilot program to evaluate the potential benefits of an alternative environmental review process focused primarily on consolidating review and permit approval through early engagement of resource agencies, rather than the traditional sequential project approval and permitting process. AB 189 was held on the Assembly Appropriations Committee suspense file.

AB 1233 (Horton) of 2004, was virtually identical to AB 189, described above, and was also held on the Assembly Appropriations Committee suspense file.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

United Contractors

### **Opposition**

None on File

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