

April 13, 2009

The Honorable Joe Simitian
California State Senate
Chair, Senate Environmental Quality Committee
California State Capitol, Room 2080
Sacramento, CA 95814

Re: SB 295 (Dutton) – Support
Hearing: April 20

Dear Senator Simitian:

The undersigned support sensible implementation of AB 32 to protect the California economy and achieve our greenhouse gas emissions reduction goals.

Therefore, we support the SB 295 requirement that CARB conduct a valid economic analysis of the AB 32 Scoping Plan by June 1, 2009.

As part of adopting the Scoping Plan in December, the CARB required staff to conduct a valid economic analysis by the end of 2009. That is not soon enough. If the Scoping Plan, or elements thereof, will add costs for consumers and businesses, we should find out as soon as possible. That information not only will help CARB make adjustments in the Plan, it will also guide policymakers to take preventive action this year to avoid higher costs, protect consumers, and keep Californians employed.

We also support SB 295's goal to link an accurate analysis to the timeline for regulations with the health of the economy. It is vital that an accurate analysis informs the regulatory timeline and the current and near-term health of the economy is an important factor in this decision. In fact, AB 32 itself lets the Governor adjust the deadlines in the case of significant economic harm. How can the Governor make a wise decision on this option without an accurate economic analysis?

There is room to disagree with the bill's strategy to impose a blanket prohibition on regulations until the economy recovers, rather than a more selective approach, and the appropriateness of unemployment rates as the sole economic indicator to determine timelines for regulations. However, we believe that SB 295 is a good vehicle to begin the discussion about how CARB should be held to a high standard to provide information about AB 32 costs and benefits, and how CARB should be responsive to, and responsible for, the impact of AB 32 strategies on the economy.

We look forward to working with legislators on a sensible approach to AB 32 implementation that will ensure its success.

We urge your "yes" vote on SB 295.

Alvia Corporation
American Chemistry Council
Building Owners and Managers Association of California
California Automotive Wholesalers Association
California Business Properties Association
California Forestry Association
California League of Food Processors
California Manufacturers & Technology Association
California Metals Coalition
California Poultry Federation
California Retailers Association
California Taxpayers' Association
Carson Black Chamber of Commerce
Chemical Industry Council of California
Dairy Institute of California
Industrial Association of Contra Costa
Industrial Environmental Association
International Council of Shopping Centers
Milpitas Chamber of Commerce
Napa Chamber of Commerce
National Association of Industrial and Office Properties
Praxair Inc.
Printing Industries of California
Regional Black Chamber of Commerce
San Mateo County Economic Development Association
USS-POSCO Industries
Vulcan Materials Company
Weatherford
Western States Petroleum Association

cc: The Honorable Bob Dutton, California State Senate
Honorable Members, Senate Environmental Quality Committee
Mr. Randy Pestor, Consultant, Senate Environmental Quality Committee
Mr. Dane Wadle, Environmental Quality Consultant, Senate Republican Caucus