



AB 32 Implementation Group

Working Toward Greenhouse Gas Emission Reductions
And Enhancing California's Competitiveness

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California Business and Taxpayer Organizations Urge Congressional Delegation To Take Into Account The State's Economic Competitiveness As Federal Climate Change Policy Continues To Be Debated

SACRAMENTO – California's major business and taxpayer organizations submitted a letter to California's Congressional Delegation requesting that any federal climate change legislation be written to protect jobs and the competitiveness of California's employers.

The letter states that federal climate policy should recognize California's decades-long investments in renewable energy and energy efficiency that have reduced greenhouse gas (GHG) emissions. And if California continues along a path of the state with the most stringent climate change policies, the real result will simply be a displacement of GHG emissions, as California companies move to less regulated states, taking with them jobs and tax revenue.

Dorothy Rothrock, vice president of the California Manufacturers and Technology Association and co-chair of the AB 32 Implementation Group stated, "In absence of a federal climate change program California took the lead in creating a program that seeks to meet real reductions of GHG emissions, now that a federal program is being debated we need to make sure those policies will avoid costly duplication and regulatory overlap."

The impact of AB 32 on business is staggering. California State University experts conclude that when AB 32 is fully implemented, the average annual loss in gross state output from small businesses alone would be \$182.6 billion, translating into nearly 1.1 million lost jobs in California. Lost labor income is estimated at \$76.8 billion, with nearly \$5.8 billion lost in indirect taxes. Electricity costs are estimated to increase by up to 60% in some parts of California, and transportation fuel costs by \$4 billion per year, according to other analyses. Housing and commercial building costs would also increase significantly.

This letter recommends that federal law should create a uniform policy addressing GHG emissions and avoid providing a patchwork of state requirements that inevitably create economic winners and losers. For example, federal policy should preempt certain California-only regulations, such as a cap-and-trade program.

"Our intent is to make sure real GHG emissions reduction goals are being met while remaining attentive so California is not placed at a competitive disadvantage with a California-only climate program that is more arduous than a federal program," Rothrock concluded.

To view the entire letter log onto: www.ab32ig.com