

Thursday, September 3, 2009

Full disclosure, please Air Resources Board resists complete audit

Just how transparent is the work of unelected staff members of the Air Resources Board as they prepare to micromanage California's private economy with as-yet unwritten regulations to curb global warming?

Already, the state Air Resources Board is being challenged about how it has spent \$57 million of tax money advanced by the Legislature to implement 2006's Global Warming Solutions Act, which ambitiously – and we feel unnecessarily – aims to curb greenhouse gas emissions.

The ARB contends every dime is fully accounted for in a 141-page summary of 50,000 documents that show where the money has been spent to date. The agency insists the document on its Web site (www.arb.ca.gov/regact/2009/feereg09/feesor.pdf) fully complies with California's Public Records Act.

Not so, says the California Chamber of Commerce, which unsuccessfully sought an audit of Air Resources Board spending for the current and previous fiscal years.

"ARB staff members expressed surprise when" asked to explain how the money had been spent, according to a chamber statement. What followed was the government agency's refusal to release records showing where the \$57 million went, and a lawsuit by the business group. "The ARB finally released some documents, but has continued to withhold nearly 50,000 pages of records," says the chamber.

The chamber sought help in the Legislature. But last week a legislative committee rejected the business group's request for an audit of the ARB. Sen. Bob Dutton, R-Rancho Cucamonga, took the request to the Joint Legislative Audit Committee and says the Democrat-controlled committee blocked it.

Despite the government agency's insistence it has complied with the law, the chamber continues to maintain, "the records ARB has released to date fail to provide any substantiation for more than \$24.5 million (43 percent) of the \$57 million."

For example, the ARB claims 306 "person years" have been expended by the agency implementing the 2006 law, but the chamber says the government has accounted for only 122 person years. More than \$11.6 million in operating costs "are not substantiated by records released thus far," says the chamber, and only \$63,955 of \$1.8 million in equipment expenses are disclosed, while \$4.1 million is unaccounted for in contract costs "in just the last year."

We wonder why the air board resists full disclosure and accounting. State bureaucrats poised to inflict on the business community who knows how many new rules should not want to further aggravate the people they intend to regulate. An audit seems not only appropriate, but politically prudent.

Disclosure would provide more than a mere accounting of how public funds were spent. As the chamber notes, the air board is authorized under the 2006 legislation to charge California businesses fees *based on what it cost the agency to implement the law*.

If we can't know how the agency has spent \$57 million so far implementing the law, how can we tell whether any fees the agency decides to impose on Californians are appropriate?

Gov. Arnold Schwarzenegger should intercede immediately and demand a thorough audit of the \$57 million spent so far on implementing the Global Warming Solutions Act. If not, what kind of transparency can be expected when this unaccountable agency begins to rake in hundreds of millions of dollars a year in fees, as provided for in just one bill pending in the Legislature?