



AB 32 Implementation Group



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

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AB 32 IG: TO CUT GREENHOUSE GAS, USE MARKET MECHANISMS

SACRAMENTO – A coalition of more than 100 business organizations announced its support for the concept of market-based approaches recommended by a government report to reduce greenhouse gas emissions.

“We are pleased that the Market Advisory Committee has focused the discussion on how to create a successful marketplace to reduce emissions,” said Dorothy Rothrock, vice president of the California Manufacturers & Technology Association. “The attention on a cap and trade program is well-founded because such programs have been used to improve air quality while saving taxpayers billions of dollars.”

The Clean Air Act used a cap and trade system to reduce sulfur dioxide emissions from power plants. Cap and trade market systems are part of the Kyoto Protocol and Europe's greenhouse gas reduction strategies. Market based strategies were also used to phase out leaded gasoline and ozone-depleting chlorofluorocarbons.

The market mechanisms favored by the coalition include a program that includes all sources of greenhouse gas, recognizes that greenhouse gas reductions have climate benefits no matter where they take place, fits with other programs (such as the one in Europe), provides certainty, and minimizes the use of auctions.

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The Implementation Group is convinced an emission reduction program based on market mechanisms will produce the best results, as a program would lower the cost of reducing greenhouse gases, encourage continued investment in California and use the competitive edge of business to improve air quality.

“With a cap and trade design, the most cost effective emission reductions happen first and could happen much more quickly than the 2020 timetable set out in AB 32,” said Dominic DiMare, vice president of the California Chamber of Commerce.

The Market Advisory Committee was formed under an executive order from Governor Arnold Schwarzenegger. The committee was required to make recommendations on the design of a market-based compliance program to help the Air Resources Board develop a greenhouse gas emission market system.

More information about the AB 32 Implementation Group can be found at www.AB32IG.com.

The Implementation Group represents companies employing millions of California workers. Its members include the California Manufacturers & Technology Association, California Chamber of Commerce, California Taxpayers' Ass'n, Alliance of Automobile Manufacturers, Ass'n of Home Appliance Manufacturers, California Building Industry Ass'n, California Citrus Mutual, California Cotton Ginners and Growers Ass'n, California Grocers Ass'n, California Nevada Cement Ass'n, California Retailers Ass'n, California Small Business Alliance, Western States Petroleum Ass'n, Wine Institute and more than a dozen local chambers of commerce and farm bureaus.