



AB 32 Implementation Group



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

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AB 32 IG SUPPORTS CAP-AND-TRADE RECOMMENDATION

SACRAMENTO – A cap-and-trade program to reduce greenhouse gas emissions today received the strong support of a coalition representing more than 120 business organizations employing millions of workers in California.

The AB 32 Implementation Group's co-chair, Dorothy Rothrock -- also vice president of the California Manufacturers & Technology Association -- testified, "A cap-and-trade system can be used to minimize the costs and ensure achievement of California's emissions reductions.

"Greenhouse gas is truly a global issue," Rothrock continued. "Any California-only program needs to recognize that it will be less expensive to emit more in other parts of the country and world. A winning program for all Californians will encourage the state's firms to replace equipment with new innovative but often expensive technologies, with efficiency incentives that come with a cap-and-trade system."

Rothrock's testimony was in response to a report from the Market Advisory Committee (MAC), a 14-member board charged with recommending to the California Air Resources Board a design of a market-based program to reduce California's greenhouse gas emissions.

The market mechanisms in a cap-and-trade system favored by the coalition include adopting a program that recognizes all sources of greenhouse gas,

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acknowledges 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.

A cap-and-trade program caps the amount of emissions allowable. On the other hand, an auction imposes a tax for all emissions, as recommended by the Market Advisory Committee report.

“The billions in new taxes imposed by auctioning emission allowances would hurt not only California companies, but would likely be passed on to consumers,” said Dominic DiMare, co-chair of the AB 32 Implementation Group and vice president of the California Chamber of Commerce. “An auction penalizes companies that chose to invest, operate and create jobs in California.”

The Market Advisory Committee’s final recommendation on a market-based program for reducing greenhouse gas emissions is due to the Air Resource Board by the last day of this month.

Learn more about the AB 32 Implementation Group at www.AB32IG.com.

The Implementation Group’s members include the California Manufacturers & Technology Association, California Chamber of Commerce, California Taxpayers’ Ass’n, California Black Chamber of Commerce, 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, Regional Hispanic Chamber of Commerce – Silicon Valley, Western States Petroleum Ass’n and more than a dozen local chambers of commerce and farm bureaus.