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# AB 32 Implementation Group

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

**FOR IMMEDIATE RELEASE**

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Contact: Scott Macdonald  
(310) 996-2671

**ROSY STATE REPORT ON AB 32 COSTS GETS THORNY REVIEW**

*Coalition warns: 'Climate change plan includes tens of billions in hidden cost increases for electricity, gasoline, and food.'*

SACRAMENTO -- Armed with the rose-colored glasses they say are necessary to arrive at the fairy tale ending in the state's economic review of the proposed AB 32 (*Global Warming Solutions Act*) Draft Scoping Plan, California's large, small and minority business owners today demanded that CARB direct its staff to reevaluate the scoping plan costs in terms of the actual dollars that consumers and businesses must expend in real time, and to consider lower cost strategies for meeting AB 32's emission reduction goals.

Representatives of the AB 32 Implementation Group said the Air Board's economic analysis revealed that the state's climate change program will cost tens of billions of dollars in higher electricity bills, gasoline, food and other products. The analysis tries to hide these real costs by assuming highly speculative and inflated savings from reduced energy usage.

The statewide business coalition ran through a list of glaring problems in the economic analysis, beginning with the fact that this will cost Californians tens of billions of dollars a year immediately to implement. The negative impact that will have on many businesses is not found in the Air Resources Board's presentation of the rosy economic findings.

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“The proposals to meet AB 32’s goals represent perhaps the most far-reaching regulatory policy initiative ever attempted in our state’s history,” said Shelly Sullivan, executive director of the AB 32 Implementation Group, which represents more than 160 member businesses and organizations statewide.

“Yet the analysis finds the price tag for this enormous change, will be less than nothing! This will be a massive government regulatory scheme and not even these rose-colored glasses can get us to believe that won’t cost us significant dollars,” said Sullivan.

“The report fails to account for our current troubled economy, assumes small businesses have unlimited capital to invest in new technologies, ignores the inevitable negative impacts including billions of dollars every year of higher electricity and natural gas bills which CARB itself projects will jack up electricity bills another 11%.” Sullivan continued.

Charles Frazier, of the California Black Chamber of Commerce, said the state’s analysis overlooks crucial components of the tremendous economic impacts affecting and affected by the Global Warming Plan, which if honestly addressed would yield a much different result.

“This kind of accounting might work for the government, but to our members and our communities it’s not only unrealistic, it’s frightening,” said Frazier.

“This analysis ignores reality and ignores the harsh economic consequences the Air Board is about to impose on minority-owned businesses and minority communities. CARB staff needs to go back to the drawing board and run the numbers a lot more realistically. To issue a final draft plan without doing this would be the height of irresponsibility,” Frazier concluded.

James Duran, speaking for the California Hispanic Chambers of Commerce, questioned the analysis' rosy characterization of AB 32 as an engine for the creation of new "green" jobs.

"Our members are not venture capitalists who are in a position to invest millions or billions in new green technologies. We're more likely to be the ones paying the higher prices and being forced to make expensive investments in new equipment and technologies, but not reaping proportionate economic benefits," said Duran. "If anything, our members will have to lay off workers because it will be harder to meet payroll in an AB 32 world."

Sullivan, the coalition director, added, "Even if AB 32 creates some new jobs, how can you assume those jobs will be based in California in view of all of the costs AB 32 will add on to doing business here? How do we know existing businesses will be able to remain in California?"

More information is available at [www.ab32iq.com](http://www.ab32iq.com).

Members of the coalition include the California Manufacturers and Technology Association, California Chamber of Commerce, California Small Business Alliance, California Grocers Ass'n, California Business Roundtable, California Retailers Ass'n, California Restaurant Ass'n, California Citrus Mutual, California Trucking Ass'n and the California Taxpayers' Ass'n.

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