



AB 32 Implementation Group



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

April 17, 2009

Governor Arnold Schwarzenegger
State Capitol
Sacramento, CA 95814

Dear Governor Schwarzenegger:

Recently you requested the California Air Resources Board (CARB) to delay implementing its enhanced vapor recovery (EVR) nozzle regulation because of the impact the regulation would have on small businesses and consumers across the state.

We share your concern that the Air Board should exercise "extreme caution" when imposing new regulatory burdens on consumers and business at a time when our state is suffering from a very real economic crisis with millions of people out of work, homeowners facing foreclosure and businesses struggling to hold on.

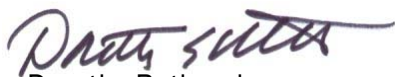
That's why we wanted to bring to your attention the potential harm that will occur if CARB approves the proposed low carbon fuel standard regulation at its April 23 meeting. According to a report by Sierra Research, the low carbon fuel standard will increase fuel costs by \$3.7 billion a year, increase smog forming emissions by 5 tons per day without any detectable change in climate.

Furthermore, CARB staff have simply not done their homework on the low carbon fuel standard. For example:

- No economic impact analysis on how the rule will impact small business has been completed.
- A multi-media environmental analysis on the new fuels required under the rule has not been completed in violation of the health and safety code.
- No review has been conducted on if these new fuels will negatively impact car and truck engines in violation of the health and safety code.

The deadline for CARB to approve the Low Carbon Fuel Standard is December 2009. There is no reason for CARB to make this decision in April before the Board has the information required to meet health and safety code requirements and to make an informed decision. The consequences of making a poor decision are far more catastrophic than the EVR rule which you asked them to delay. We urge you to exercise the same leadership on the low carbon fuel standard rule.

Sincerely,



Dorothy Rothrock
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Vice President
California Manufacturers &
Technology Association



Jeanne Cain
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