

Sunday, April 19, 2009

## **Economy warrants slower implementation of AB 32 Leaders must ensure that it doesn't impose crushing burden on business.**

California has been a leader in the effort to reduce greenhouse gas emissions with the adoption of the state's landmark Global Warming Solutions Act of 2006. We have supported this plan, but we are concerned about the aggressive implementation schedule of what is referred to as AB 32.

Business leaders have resisted this measure and other state mandates, especially in this terrible economy. The concern over cost is a legitimate one, and we urge a balanced approach to rolling out this sweeping act.

We agree with AB 32's goals, and there's persuasive evidence of the long-term risks associated with greenhouse gases. That was underscored Friday with the Environmental Protection Agency's announcement that carbon dioxide and other greenhouse gases will be listed as pollutants.

However, California's new regulations are coming too fast and at too high a price tag. Some want to stop implementation in its tracks, but that's not a wise course either.

There's a bill in the state Senate, SB 295, that would delay AB 32 regulations until more thorough cost analyses are done and until the statewide unemployment rate is closer to the normal 5 to 6%. Currently it's twice that for the state and even higher for Valley counties.

SB 295 is scheduled to be heard in the Senate Committee on Environmental Quality Monday. It has little chance of passing. But this might be a good vehicle to start a discussion on how best to enact AB 32. Gov. Arnold Schwarzenegger, a big proponent of AB 32, should be leading this inquiry.

It's more important to implement AB 32 effectively, rather than rushing regulations onto the books that may not accomplish what they're supposed to or may impose crushing burdens on businesses and farms.

Even some AB 32 supporters are asking reasonable questions about the scoping plan adopted in December by the Air Resources Board.

The independent Legislative Analyst's Office found serious weaknesses in the economic analyses done by the air board, and air board leaders agreed to more thorough estimates by the end of 2009. Meanwhile, the board has started adopting rules that will go into effect as soon as 2010.

There are strong arguments for the state to move deliberately rather than hastily. The goals of the Global Warming Solutions Act must be achievable to be effective.