



FOR IMMEDIATE RELEASE  
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## **CAP-AND-TRADE REVENUE IS NOT A BUDGET SOLUTION**

Dorothy Rothrock representing the AB 32 Implementation Group, a coalition of employers and taxpayer groups advocating for policies to achieve greenhouse gas emission reductions in a manner that will protect jobs and the economy issued the following statement regarding authority to expend \$1 billion of AB 32's cap-and-trade revenue:

“We are greatly concerned that the Governor's budget would allow use of \$1 billion raised in the AB 32 cap-and-trade program in a manner that is beyond the scope of authority under AB 32 and the California constitution. The purpose of cap and trade is to reduce greenhouse gas emissions from regulated sources – including manufacturers, electric generators, universities, and public agencies. AB 32 and cap and trade is not intended to be a revenue source for the state of California.

At a time when the public is concerned about jobs and the economy, the budget proposes a new tax on California businesses for climate change activities. The anticipated \$1 billion is not windfall revenue. The funds will be paid by California employers suffering the worst recession since the Great Depression. To avoid litigation and protect jobs, the revenues should be maintained within the cap-and-trade program and must be used in a manner that meets the requirements of a legal fee.”

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For more information about the AB 32 Implementation Group: <http://www.ab32ig.com/>