



November 1, 2013

CARB AB 32 Staff
CIOMA/CSSARA Comments on 2050 Scoping Plan

To Whom It May Concern:

The California Independent Oil Marketers Association (CIOMA) and the California Service Station and Auto Repair Association (CSSARA) represent independent businesses that provide crucial fuel and petroleum product distribution to California consumers and the economy. The combined organizations are made up of both product wholesalers and retailers. Fundamentally, our members get products from state refineries and product suppliers to the consuming public.

Association members provide energy and ancillary products to the vast majority of California motorists and businesses, supplying retail customers, government agencies, emergency services, farmers, construction sites, fleets and other bulk purchasers.

Our members are primarily small, family owned businesses who encounter unique difficulties in complying with California's complex and increasingly expensive regulatory climate. We represent approximately 400 members, comprising about 90% of fuel wholesalers and over 2500 state service stations. We also represent a number of small business owners who operate auto repair locations.

As businesses that will be directly and adversely impacted by this state's aggressive carbon reduction regulations we have a direct and vested interest in the development of even higher regulation burdens suggested in the 2050 Scoping Plan draft. We have the following comments:

- The California carbon reductions as a result of AB 32 regulations will have little or no material effect of global carbon emissions. These regulations are merely an experiment in public policy and taxation to see if globally inconsequential emission reductions can be achieved.
- We find no legal authorization for CARB to go any further than the 2020 reduction goals set in AB 32, other than generating reports & observations.
- We remain highly concerned that even the 2020 emissions will result in significant impact to EXISTING small businesses in this state. CARB has not performed its legally required analysis of AB 32 regulations impact to small businesses. They have

done a very incomplete (and highly disputed) job of even macro analysis on economic impact.

- The Scoping Plan goes on for some length regarding the new economic analysis tools being implemented to gage economic impact. This is equivalent to performing vivisection on a patient while conducting an experiment. It does not provide decision makers with necessary impact information in *advance* of regulation adoption – the very purpose for legally mandated economic analysis. Until such time as 2020 regulation impact on *existing* small businesses is completed, reaching for even further reductions is absurd. Let’s see if the patient survives the first operation before planning the second.
- Many, many aspects of the current regulations need major review and overhaul. Spend your valuable time on those efforts.
- Analyze all fuel-related regulations through the eyes of the fuel consumer. Do not hide costs and fuel supply issues from the motoring/fuel-consuming public; transparency is essential.
- We have recently submitted comments on potential significant impacts of the AB 32 “Fuels Under the Cap” regulations on unbranded supply of fuels in this state – and related fuel price impacts – from congestive regulations upon small fuel suppliers. Analyze that possibility before dreaming up more restrictions.
- Major problems with the Low Carbon Fuel Standard have been identified by many independent reports. Let’s spend our time figuring out how to make this program work without fuel disruption and price shock.

Thank you in advance for considering our comments.

Sincerely



Jay McKeeman, Vice President Government Relations & Communications

cc: CIOMA Board of Directors
CARB Ombudsperson Office