



1012-121

**THE INDUSTRIAL ASSOCIATION, INC.
OF
CONTRA COSTA COUNTY**

Dec. 8, 2008

Ms. Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95812

ORIGINAL:
Copies:

Board Clerk
Executive Officer
Chair

Dear Ms. Nichols:

The Industrial Association of Contra Costa County (I/A) is a broad based industrial association located in the San Francisco Bay Area. Despite our name, we have member companies from Contra Costa County, Alameda County, San Francisco, and Solano County. The I/A was organized in 1914 in Pittsburg, CA, and has been meeting the needs of industrial members for the past ninety four years.

The I/A supports a balanced, cost-effective plan to reduce greenhouse gas emissions, but we are very concerned about the cost of the Board's proposed AB 32 scoping plan.

Currently, California is suffering an economic downturn with high mortgage foreclosures, rising business costs and thousands of lost jobs. In addition, the Legislature and the Governor are contemplating additional tax measures that will raise fuel costs and further burden our economy. Our industries simply cannot afford additional costs for the companies that do business here and the families that live here.

We are not comforted by your staff's conclusion that the AB 32 scoping plan – the most ambitious regulatory plan ever proposed – will not cost a penny to implement. We have been briefed about the increased energy and fuel costs that the proposed AB 32 scoping plan will impose. In particular we are concerned about the higher taxes and fees, higher electricity and natural gas costs, higher fuel costs, higher building and home costs, and higher vehicle costs that the AB 32 plan will impose. There is no doubt that these increased costs will have a negative impact on our industries.

We believe it is vitally important that the Board understand and acknowledge the true costs of the Scoping Plan. For this reason, we are requesting a more accurate assessment of the potential costs of the Scoping Plan to support the Board's decision-making now and into the future. In addition, we urge your agency to use lower cost strategies to pursue greenhouse gas emission reductions. Specifically, CARB should place higher priority on evaluating the relative cost of alternative approaches to achieving AB 32 emission reduction targets. In particular, research should focus on quantifying how more reliance on cap-and-trade and offset programs could reduce the costs of implementing AB 32.

We appreciate the opportunity to comment on this important issue. We urge caution in light of the current economic recession and pledge our support in meeting the goals of this issue. If you have any questions or need further information, please feel free to contact us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Scott A. Anderson".

Scott A Anderson
Executive Director
Industrial Association of Contra Costa Count