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National Association of Clean Air Agencies
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Thank you for bringing the National Association of Clean Air Agencies to Sacramento. Welcome to the Capitol of California.

Historian and novelist Wallace Stegner, one of the most insightful observers of the American West, famously said that California is "America…only more so." Which means, as one political pundit recently put it, "our highs are higher, our lows are lower, our weather is better and our budget fights are nastier than anywhere else in the country."

As for our highs, we have Mount Whitney – the highest point in the continental United States. And you can't get any lower, drier or warmer than Death Valley. You can find both the tallest and the most massive living things on Earth just across the street in Capitol Park. The coast redwood and the giant sequoia are the official state trees of California. They also serve as a first line of defense in climate change. They're the giants of carbon capture and storage.

California is a land of superlatives, and its residents are a reflection of their environment. Stegner, writing in the late 1960s, said it best:

"Like the rest of America, California is unformed, innovative, ahistorical, hedonistic, acquisitive and energetic – only more so."

Assembly Bill 32 is another chapter in this narrative.

Like so much of the California story, AB 32 embodies the "innovative" and "energetic" can-do spirit – starting with its formal title: "The California Global Warming Solutions Act." Think about that for a moment: California is going to take on planetary climate change.

This is not environmentalism gone wild. This is a winning attitude. We cherish our environment and our quality of life – and we're going to step up to the plate to defend it.

My point is that when you view AB 32 in the larger scheme of California's historic pursuits – its quest for vigor and healthfulness – there is nothing all that new or out of step.

Everything we're doing under the AB 32 Scoping Plan eventually would have been done as part of our clean-air mission. And no matter what Californians may think of AB 32 or global warming, their mandate for clean air remains as clear and resolute as ever.

AB 32 is revolutionary. It's designed to do nothing short of transforming California's fossil-fueled economy to one based on low-carbon, efficient energy. It won't be easy to implement. Some industries will have to scramble to meet their emission reductions. But this effort is part of a broader agenda that we've been pursuing for decades.

When you cut greenhouse gas emissions from tailpipes and exhaust stacks, you're also reducing ozone-forming pollutants and toxic particles. Fighting smog and soot comes at a cost – as will the regulations to cap and taper down the climate-warming emissions. But these restraints come with significant benefits, too. Anyone who remembers Los Angeles even 30 years ago knows that. You can see and smell the difference.

The long-term benefits are hard to envision in the aftermath of the worst financial storm since the Great Depression. California's unemployment rate still hovers at 12 to 13 percent. We're by no means out of the woods yet.

Because of this, some people say we must suspend AB 32 until our wounds heal and our economy not only rebounds but booms.

But, of course, we can't hold off. Climate change – as with time and tide – waits for no one. And if California – with its technological horsepower and big corner on the auto market – doesn't lead the way, who will? Congress?

We’re not out to convert anyone’s thinking on global warming – not that climate change, any more than earthquakes or gravity, really cares what we think.

We’re not counting on concerns over planetary warming to increase demand for more fuel-efficient cars and solar panels, or to curb sprawl and cut vehicle miles traveled.

For now, we’re banking on forward-looking regulations to ease and speed the shift to a cleaner and more efficient low-carbon economy.

That means, for example, nothing less than a fundamental change in the way we plan and build our communities.

Many of you have heard of Senate Bill 375 – the Sustainable Communities Strategy and Climate Act. We’re counting on this law to achieve significant greenhouse gas reductions from passenger vehicles by way of smarter and more compact local development.

This may seem like a lost cause here in a state that is synonymous with sprawl. Californians indeed love their cars and spacious yards. But they also are in passionate pursuit of healthy, thriving lifestyles.

Less time in the car means more time with family and friends.

Less fuel means more money to go to the beach or a Lakers game.

Less pavement mean all the more land for natural water purification and locally grown food.

The term we use at the Air Board is co-benefits. It just means you don't do things for only one purpose. Everything we do has to achieve multiple benefits.

We are well into the process of setting greenhouse gas reduction targets for the regional transportation agencies, also known as Metropolitan Planning Organizations.

But we are not the implementers. The law clearly leaves it to local government to decide how best to achieve the reductions. The Air Board is on track to adopt the targets by September 30, the legal deadline. The first drafts are due at the end of June.

The state's Strategic Growth Council will be supporting communities in this smart growth effort with $90 million in Proposition 84 funds -- grants of $100,000 to $1 million each.

This is an example of how the AB 32 regulations and companion laws work. We think of them as accelerators that get residents where they need and want to be in terms of more livable communities, on air quality, energy security and energy efficiency – only faster.

AB 32 is not likely to go away. Let me tell you why.

The scientific foundation of the law continues to grow stronger. The recently reported inaccuracies in the IPCC assessments are unfortunate. But they do not undercut the remarkably vast body of evidence linking human-caused pollution to global warming.

Congress won't likely derail AB 32. The federal climate bill passed by the House last fall borrows heavily from AB 32 – as does the Kerry-Lieberman bill released last week (May 12). If anything, California's climate actions will gain more steam nationally as Congress squabbles and stalls. As you saw earlier this spring -- the EPA has adopted on a national scale California's policy of limiting greenhouse gas emissions from new passenger vehicles.

You also can count on forces beyond the AB 32 mandates pushing for cleaner energy. I'm talking about investors, stockholders, state insurance regulators and federal securities regulators. Earlier this year, the federal Securities and Exchange Commission voted to add global warming to the list of issues that companies may have to discuss in their financial filings.

Finally, I think it's safe to say that investing in clean technology will continue to be a good bet. Even in the one of the worst years in economic history, clean energy revenue continued to expand.

AB 32 creates the conditions that allow California to remain No. 1 in clean energy investments. We've laid the groundwork to go after those markets and jobs.

It makes no sense to sow the field and not reap the harvest.

We're already seeing a payoff in the green energy field.

Last year, while other sectors of the economy saw little or no investment, California's clean technology industry received $2.1 billion. That was 60 percent of the total in clean-tech investments for all of North America.

In 2008, California had about 160,000 green jobs, the biggest pool of clean jobs in the nation.
The clean-tech work force jumped by more than a third between 1995 and 2008 – a period when total jobs in California expanded only 13 percent.

And the Air Board latest economic analysis – released in March – forecasts robust economic growth as the state continues implementing AB 32.

The economy, including personal income, will continue to grow at a rate of 2.4 percent a year.

Fuel expenditures drop by about 5 percent in 2020 – the result of increased investment in cleaner fuels and energy efficiency. The reduced consumption of gasoline and diesel would save California $3.8 billion annually by 2020.

That's money Californians can put back into local communities by spending on goods and services they'd like to have.

So we have every reason to keep the momentum in implementing AB 32.

We've laid the groundwork to go after the green markets and green jobs. And if California slackens its pursuit of them, others will eagerly and swiftly fill the void.

Other states, provinces and countries would eagerly welcome a growing clean-tech company like Solaria, in the East Bay city of Fremont. Solaria sells solar modules to utility companies and for large installations – and it's looking to expand its work force and move to a larger plant this year.

David Hochschild, a company vice president, recently told the Sacramento Bee newspaper that he moved the company from Seattle to the Bay Area and is happy to stay in California. Why?

AB 32.

Hochschild said – *quote* – **“The reason we are here in California is because the policy conditions have created a strong solar market, and we have a bright future."**

He called AB32 – *quote* – **“The glue that holds everything together."**

AB 32 is a job generator, not a job killer.

Forty years of fighting smog in California reveal the fallacy of the jobs-versus-environment dichotomy. It’s a false choice. In California, they not only go together, they are indivisible.

There were naysayers back then, and there are naysayers today claiming AB 32 spells the end of California civilization as we know it. But we kept on moving forward, and in every case – whether it was cars or scrubbers or reformulated fuels – we came back and did it at less expense – far less than our critics thought possible.

And all the while our economy continued to grow.

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