



June 23, 2022

California Air Resources Board
1001 I Street
Sacramento, CA 95814
SUBMITTED ONLINE VIA: <http://www.arb.ca.gov/lispub/comm/bclist.php>

RE: Comments on the Draft 2022 Climate Change Scoping Plan

Dear Members of the Board:

The Bay Area Council is an employer sponsored public policy and advocacy organization dedicated to solving the San Francisco Bay Area region's most challenging issues and improving the quality of life for everyone who calls this region home. We represent 300 of this region's largest employers and are committed to the economic vitality, social equity and environmental sustainability of the Bay Area and California.

The Bay Area Council stands squarely behind the State of California and the California Air Resources Board (CARB) in our collective effort to tackle our generation's, perhaps mankind's, greatest challenge climate change. As you know, the Bay Area Council was the first major state business organization to support AB 32, The Global Warming Solutions Act (Pavley) in 2006. We remain committed to the central premise of the legislation: that unless we take all reasonable and necessary steps to reduce our GHG production, the consequences will be dire for our state and the world.

We firmly believe that not only can we meet this challenge without degrading our economy, but it is the *only* way we can meet it. We must be very cautious of short-sighted solutions that heap costs on our State's lowest income residents, that force jobs out of California and that have resulted in the first recorded population decline in California's recorded history. These are not real solutions, in fact numbers suggest that they may actually increase carbon emissions.

In the years since the passage of AB 32 in 2006, and subsequently SB 375 in 2008, California has had mixed results in its efforts to reduce our greenhouse gas emissions. It is certainly true that our energy grid is much cleaner and we lead the nation in renewables and energy efficiency. Our buildings are cleaner and greener as is the electricity that powers them. We have more electric cars than any other state and the cleanest burning gasoline.

However, higher energy costs, materials costs, labor costs, and the most expensive housing in the nation has forced many of California employers to look elsewhere to relocate or grow their businesses and with them go many tens of thousands of Californians, primarily our lower income residents. Our failure to come anywhere close to meeting the infill development objectives of SB 375 has also resulted in much lower density and auto dependent communities than we had planned for and no discernible decrease in vehicle miles travelled or emissions from the transportation sector.

As we shutter our manufacturing, construction, logistics and other traditionally carbon intensive industry sectors, and replace those jobs with the much cleaner professional keyboard economy, our



state becomes less diverse, less affordable and less equitable. Our policies have forced concrete and steel manufacturing, computer hardware manufacturing, even the manufacturing of batteries for our electric cars, to neighboring coal burning states, or overseas, yet we continue to import these products willfully blind to the actual carbon consequences. Out of sight, out of mind, and off our books is not honest nor is it a strategy for long term success.

As those largely blue collar industries leave California so do their workers. Each year 40,000 Californians relocate to just one state, Texas, in search of a more affordable life. As soon as a California family pulls into the driveway of their new affordable home in the Houston suburbs, the per capita GHG of each person in that car jumps from 9 tons in California to 27 tons in Texas. That is 720,000 tons of carbon each year, from just one state, that we have created by our failure to accommodate our own citizens. Add the other 48 states and you have to ask if our carbon reduction policies are actually doing more harm than good?

The California Air Resources Board must concede that carbon leakage is very real and that every job and every Californian that leaves our state is a concern to all of us.

Solving this climate crisis will require some obvious common sense but often politically challenging solutions. Thomas Friedman wrote in *Hot Flat and Crowded* that America's response to climate change is akin to a "greening party" where people are separating their garbage for recycling, insulating their homes, and driving more efficient vehicles; all good, but ultimately marginal responses. He argues for a "greening revolution" where big ideas, and big changes are necessary.

The San Francisco Bay Area for example is one of the most temperate regions in the nation. Year-round mild temperatures mean relatively little energy is required for heating and cooling compared to the rest of the country. We are also blessed with jobs, a robust transit network, and good infrastructure – yet our population is stagnant, even dropping in some places, housing is unaffordable to all but the very wealthy and some of our most iconic companies have chosen to relocate out of State in recent years because of high costs.

A truly game changing but very common-sense, approach to reducing carbon emissions would be to do whatever is necessary to double the population of this region in 20 years and begin importing people from coal burning states instead of exiling them there. Incentivize employers to locate here, eliminate development red tape and mandate by right construction in designated areas, reduce the cost of housing to the national average levels, and increase opportunity and affordability. Over night you will have done more to reduce global carbon emissions than anything proposed in the last two decades.

We urge the Board to incorporate into this scoping plan a detailed economic impact analysis of our efforts to date to combat climate change. A study of the jobs that have left California and the reasons why, as well as a thorough accounting of all the former California residents who chose to leave our state since 2006 and the carbon impacts of that exodus.

We urge the Board to work with the business community to create market based incentives to keep jobs in California and as the Federal Government continues its efforts to onshore manufacturing, we should work with them to ensure as many of those jobs as possible come here rather than to coal burning states. The simplest way to achieve net carbon neutrality is to make it profitable, while the



converse is also true; try to achieve it through expensive or burdensome mandates and high energy costs and it is sure to fail.

We urge the Board to get serious about genuine land use reforms. Ask the people who try to build homes in California, particularly in our urban and temperate coastal areas, why they find it so difficult and expensive to do what they do. You will find that the universal response will be that the bureaucracy associated with development in California is crippling expensive. A report just this week by the Los Angeles Times found that “affordable” housing is costing over \$1m per unit to build in many of our markets and much of this cost is red tape, litigation, and layers of government mandates. Take the findings from these conversations and make them the central focus of this Scoping Plan.

Finally we urge the Board to pay very close attention to the final page of the Draft Scoping Plan focusing on individual choices. California residents and businesses alike will ultimately make the decisions that will either make this plan a success or a failure. Those decisions will be based on many factors including, but not limited to, cost, convenience, and quality of life.

To reiterate and conclude, we share the same goals of continued emissions reduction while maintaining California’s economic vitality and social equity. This is a difficulty conundrum to solve but we greatly appreciate the staff and Board of CARB for your efforts thus far in this regard. California can lead the way and show the world how to do it if we continue to work together on practical common sense solutions.

Sincerely

A handwritten signature in black ink that reads 'Jim Wunderman'.

Jim Wunderman
President & CEO
Bay Area Council