

State Building and Construction Trades Council of California

ANDREW MEREDITH
PRESIDENT

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BUILDING AND CONSTRUCTION TRADES
DEPARTMENT
AFL - CIO

J. TOM BACA
SECRETARY-TREASURER

May 24, 2022

Liane Randolph
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Advanced Clean Cars II Regulations - OPPOSE

Dear Chair Randolph:

I write on behalf of the State Building and Construction Trades Council, AFL-CIO, to express our strong opposition to the proposed Advanced Clean Cars II (ACC II) regulations. Banning the internal combustion engine would cause significant financial harm to the working men and women of the Building Trades by banning the sale of internal combustion engine (ICE) light-duty vehicles beginning in 2035.

The SBCTC represents nearly 500,000 working men and women in the construction industry, including 73,000 enrolled in our state-of-the-art apprenticeship programs around the state. Three quarters of our apprentices are people of color, one in five come from foster care, are emancipated youth, or come from the criminal justice system. This regulation will have myriad effects on California drivers and the economy.

First it will prove devastating for the gasoline tax revenue stream dedicated to improving and maintaining California's infrastructure and replenishing the general fund. The COVID-19 pandemic has severely impacted the amount Californians drive their automobiles leading to a significant reduction in gasoline and other tax revenues that support funding for highways, local streets and roads, and transit. Since the pandemic, transportation revenues have seen a reduction of \$1.2 billion (10%) compared to previous estimates. In this way, the COVID-19 pandemic has spotlighted how decreased gasoline consumption would deplete revenue streams. The ACC II regulations only risk accelerating this contraction, depriving Californians of safe roads and highways and our members of middle-class jobs building and improving the state's infrastructure.

Secondly, we also have significant concerns about how the transition to zero-emission vehicles will impact California's working families. The average cost of an internal combustion engine vehicle (ICE) is \$12,000 *less* compared to a similar battery electric vehicle (BEV). This differential would be devastating to the everyday Californians who overwhelmingly rely on gas-powered vehicles to drive increasing distances to commute to work. Already, the bottom 60% of working families in California spend virtually all of their income in a given year according to the *U.S. Consumer Expenditure Survey*


of California.¹ These regulations would only exacerbate an already alarming income inequality divide in California and effect working families and low-income families the most. Access to overnight charging, increased electricity rates, and higher prices for gasoline will affect lower income families the most and all be amplified because of these regulations.

Third, the California Air Resources Board (CARB) estimates rely upon BEV prices falling. For this transition to make it affordable for working people and low-income families, this price differential is critical. However, studies show that the price differential is increasing. The strong demand for battery metals such as nickel, cobalt, and lithium is only going to raise the prices for these battery components which BEV producers will only pass along to consumers. This will be regressive and make it harder for lower income families to afford BEV.

Finally, the effect that this would have on the oil and gas industry, and the thousands of jobs that industry currently supports, cannot be overstated. The SBCTC represents tens of thousands of construction workers whose jobsites happen to reside inside the fence-line of a refinery. CARB's own data estimate job losses of over 60,000 in 2030 and 93,000 jobs in 2037. There is nothing currently underway at CARB or in the State Legislature that would begin to mitigate the economic harm that would cause tens of thousands of working families who are earning middle class livelihoods because of this critical industry. We saw what happened the last time policymakers made wholesale changes to the manufacturing sector with NAFTA without first understanding and mitigating the job loss effect that ultimately had. We should not make the same mistake here.

It is for these reasons that we oppose the proposed ACC II regulations.

Sincerely,



ANDREW J. MEREDITH
President

AJM:bp
opeiu#29/afl-cio

¹ U.S. Bureau of Labor Statistics, *Consumer Expenditures Surveys, California: Quintiles of income before taxes, 2018-19.*
<https://www.bls.gov/cex/tables/geographic/mean/cu-state-ca-income-quintiles-before-taxes-2-year-average-2019.htm>.)