

August 6, 2015

RE: COMMENTS ON TRANSPORTATION SYMPOSIUM TO DISCUSS 50% PETROLEUM REDUCTION GOAL

The California Chamber of Commerce appreciates the opportunity to comment on the Governor's Office Five Pillars Symposium discussing the 2030 climate change commitments.

The CalChamber is the largest broad-based business advocate in the state, representing the interests of over 13,000 California businesses, both large and small. Many of CalChamber's larger members are directly affected by climate change regulations, while many other smaller members will likely experience indirect impacts in the form of new costs passed down from upstream fuel and energy providers.

It is imperative that economics be taken into consideration as petroleum is integrated not only into how businesses, but, also citizens, operate on a daily basis. A comprehensive economic impact analysis should be considered when looking towards a goal of a 50% reduction in petroleum in California by 2030.

DRIVING IS INTEGRAL TO DAILY LIFE

Without legislative guidance or protections against increased costs or job loss what tools will be employed to meet the reduction mandate:

Ration the use of petroleum?

Limit driving to certain days of the week?

Demand vehicle efficiency without available technology?

Implementation of any of those approaches will come at a high cost to the families and residents in California. Most of California's businesses and families rely on petroleum for their day to day transportation needs. The California Energy Commission reported in its *2014 Integrated Energy Policy Report* that 92% of all transportation fuels in California are made up of petroleum. Businesses rely on petroleum to transport goods and people, imagine the upset reducing petroleum by 50% will have on day-to-day life, getting to and from work, taking children to school, grocery shopping, getting to the doctor, the list goes on and on.

HIGHER COST VEHICLES

The goal of reducing petroleum consumption by 50% fails to recognize the needs of average Californians. Electric and hybrid vehicles, which consume less petroleum than traditional vehicles come with a higher price tag and is out of reach for average Californians. Their income is spent on groceries, child care, rent and other basic needs.

PETROLEUM JOBS ARE GOOD JOBS

Will there be a 50% straight reduction in the production of petroleum in the state? What would that do to the good paying jobs in the petroleum industry?

The petroleum industry is a major economic engine in the state and has been helping California grow for over 100 years. In a 2014 report produced by the Los Angeles County Economic Development Corporation, it was reported that in 2012, the petroleum industry was responsible for 468,000 jobs in the state with 104,000 of those jobs located in Los Angeles County. The industry provided billions of tax dollars to the state and local government. If half of this is taken away, the job and economic losses to the state would be devastating.

We hope we can continue to provide constructive feedback throughout this process as it is in the interest of all California businesses and consumers that we get this right. We appreciate your consideration and the opportunity to comment. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Mmagu". The signature is fluid and cursive, with a large loop at the end.

Amy Mmagu
Policy Advocate