



July 7, 2016

Chairman Mary Nichols
California Air Resources Board
1001 I Street Sacramento, CA 95814

Subject: Comments on Draft Scoping Plan Concept Paper

Dear Chairman Nichols:

The California Small Business Alliance (Alliance) is a non-partisan coalition of California trade associations committed to providing small businesses with a single constructive voice before air quality management districts, and other environmental regulatory agencies.

For more than two years, Alliance members have been regular participants in the development of the South Coast Air Quality Management District's (SCAQMD) 2016 Air Quality Management Plan (AQMP). During this process, we've had the opportunity to work alongside representatives of the California Air Resources Board (CARB), and US Environmental Protection Agency, and observe how these agencies are attempting to coalesce on a fair-share emission reduction strategy; one that includes identifying financial resources, and securing significant funding for incentives to encourage and accelerate deployment of zero and near-zero technologies. The Alliance supports this concept because we believe that without these incentives, attainment of Clean Air Act and Global Warming Solutions Act mandates is simply unfeasible. The Alliance applauds CARB's adding incentives, public-private partnerships, and credit for voluntary actions to their suite of tools to reduce emissions and achieve our climate goals. Reliance on more and more rigorous command and control measures is no longer a viable emission reduction strategy.

We would be remiss, however, if we did not mention the considerable concern our members have about the degree of certainty that CARB has in not only identifying reliable sources of funding, but, and most importantly, securing the billions of dollars necessary to adequately fund the incentives in the Plan. It is our position that CARB has the responsibility to certify to those entities that would be eligible to receive financial incentives that the funding be guaranteed and available when it is needed. And, in the event that funding cannot be guaranteed or is less than the original pledged amount, whatever emission reductions were promised in the Plan be adjusted accordingly. This is not meant to mean that we are advocating "backsliding." We are simply pointing out that the cost of compliance or attainment has increased to the point where "cost-effectiveness" and "affordability" are major considerations, especially for smaller businesses. For the record, the Alliance raised similar concerns with the SCAQMD in our letter commenting on their 2016 AQMP.

While we may agree that more needs to be done to reduce emissions, risk to public health, and improve air quality, we must not overlook the fact that the air is measurably cleaner and risk to

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public health has been significantly reduced. Major commercial and industrial enterprises, such as utilities, refineries, and essential public services, have the ability to recover any increased costs without the risk of losing customers. In contrast, smaller businesses continue to battle considerable economic headwinds in order to compete with other states, and other countries. It is important to understand that having to raise prices in order to offset more rigid emission reduction measures usually signals a death knell for a small business, and the loss of good paying jobs.

Finally, Alliance members are encouraged to learn that the Draft Scoping Plan includes references to discussions and collaboration among stakeholders about how CARB's new tools can help overcome resistance barriers to innovation and voluntary actions that would facilitate our achieving 2030 climate goals. For the record, the Alliance would welcome an invitation to participate in this process.

Thank you for your consideration of our comments. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill La Marr", is written over the printed name and title.

Bill La Marr
Executive Director

cc: Richard Corey, CARB Executive Officer
La Ronda Bowen, CARB Ombudsman