

NOTE: MY COMPUTER IS ON THE "Fritz" NOW

BERNARD FOX

AUG 17-09

4120 SEPULVEDA AVE #31

SAN BERNARDINO, CA 92404

MR CARL BROWN

I'M OUTTA HERE!

70 AIA RESOURCES BOARD

1001 D. ST., PMB. 2815, SACRAMENTO, CA 95812

MR BROWN:

JUST A SHORT NOTE BEFORE I LEAVE CALIFORNIA.

YOU MAY HAVE HEARD FROM OTHER SMALL BUSINESS OWNERS THAT THE PUBLISHED ARTICLE OF AUGUST 8, 09 (ENCLOSED) SCARED THE HELL OUT OF ME! DOING BUSINESS HERE IS JUST NOT REWARDING TO ME AFTER ALMOST 40 YEARS! THIS ARTICLE IS CAUSING ME TO MOVE TO ARIZONA OR TEXAS, AS I HAVE FAMILY IN BOTH STATES. IT'S MUCH CHEAPER LIVING ELSEWHERE AS I WILL GET TO KEEP MORE MONEY IN MY POCKET.

YOUR AB32 WOULD BE DEVASTATING TO ME AND OTHER SMALL BUSINESSES. THE ARTICLE ESTIMATED \$49,691 TO START SMALL BUSINESS, AND NOW IN ADDITION, I'VE HEARD THEY ARE AGAIN RAISING WORKMAN'S COMPENSATION.

THERE'S JUST NOT ENOUGH TAXES TO SOFT THE LEFT WING SACRAMENTO LEGISLATORS!

I'LL BE MOVING PROBABLY END OF NOVEMBER OR DECEMBER. IT'S TOO BAD ABOUT MY EMPLOYEES. WE SELL LIFE INSURANCE. THEY WILL HAVE TO GET ANOTHER JOB AND SOME SAVED TAXES MAY MOVE.

MAYBE YOU CAN FIGURE A WAY TO COLLECT MORE TAXES FROM ALL THE ILLEGAL ALIENS TO HELP OUT CALIFORNIA.

SINCERELY, BERNARD FOX

California's global warming plan, AB 32, will raise prices for transportation, housing, food, fuels and utilities. The state air board's economic analysis of the law fails to accurately portray costs and overstates the measure's benefits, experts and academics agree.

Acknowledge, mitigate the price of California's plan to curb warming

BY DENNIS TOOTELIAN
AND SANJAY VARSHNEY

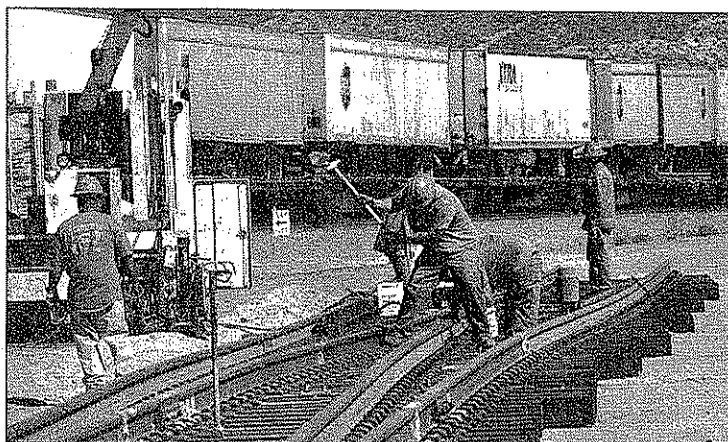
With Congress working on legislation to combat climate change, it's important for policymakers to understand the lessons learned from the implementation of California's own climate change legislation, Assembly Bill 32.

An economic impact report that we recently completed examined the costs of AB 32 implementation to California's small businesses and consumers. Among the most severe economic impacts we found from the state's plan are annual cost increases of nearly \$50,000 for small businesses and 1.1 million lost jobs per year.

With the difficulties our economy already is experiencing, these are alarming numbers that must be considered by both policymakers and the public. While we do not dispute the need to address climate change, our study shows that California is pursuing a costly and complex policy that will impact every Californian.

The Inland Empire has suffered greatly from the foreclosure crisis and is a region that typically struggles with even higher unemployment numbers than the state average. Therefore, AB 32's economic consequences could spell even further pain for this area. For example, the region's economy is largely reliant on the transportation and warehousing businesses that come with serving as a major shipping hub and the home of many major manufacturing companies.

Conservative estimates show



Rail workers prepare a switch in the Cajon Pass. The state's global warming law portends more economic pain for the Inland region.

2007/THE PRESS-ENTERPRISE

that California's climate change plan will increase costs to the transportation and warehousing sector by an average of 5.51 percent annually. This means that this industry sector, which represents more than 19,000 businesses and nearly 400,000 employees in our state, will experience an increase in costs of more than \$2.5 billion.

And these cost increases will come on top of other typical cost increases and challenging regulatory requirements, creating an inevitable recipe for worker layoffs or business closures.

DISTORTED CLAIMS

AB 32 granted the California Air Resources Board the authority to develop a "scoping plan" and regulations for achieving reductions in greenhouse gas emissions. However, the scoping plan's economic analysis has been repeatedly criticized by experts and academics for its failure to adequately consider costs and its

tendency to overemphasize benefits from AB 32.

The nonpartisan Legislative Analyst's Office called the analysis "inconsistent and incomplete," while Matthew E. Kahn, a professor at UC Los Angeles stated, "The net dollar cost of each of these regulations is likely to be much larger than what is reported." Similarly, Harvard University professor Robert Stavins said in his review, "I have come to the inescapable conclusion that the economic analysis is terribly deficient in critical ways and should not be used by the state government or the public for the purpose of assessing the likely costs of CARB's plans."

Our newest study that looks specifically at small business impacts reports similar findings that the Air Resources Board has significantly underestimated the economic ramifications of its policy.

Our study found that costs from AB 32 would occur at least in transportation, housing, food,

fuels and utilities. Small businesses must account for many of these factors as part of their ongoing operating expenses, so higher price tags will result in lost jobs, increased costs for consumers, lost income for workers, lost economic output for the state, and ultimately, lost tax revenue that will tighten California's already thinly stretched state budget.

\$49,691 PER OWNED

In particular, our findings show that annually the average total cost of AB 32 is \$49,691 per small business in California. With an average profit margin of only 10 percent, many small businesses will likely be unable to absorb these cost increases or provide the upfront capital needed to buy new equipment and meet new mandates.

Our economic analysis shows that there will be real and substantial impacts to California's small businesses and consumers because of AB 32. That's why it is critical for policymakers to examine the changes that are proposed, and to understand the impacts on our state's economy.

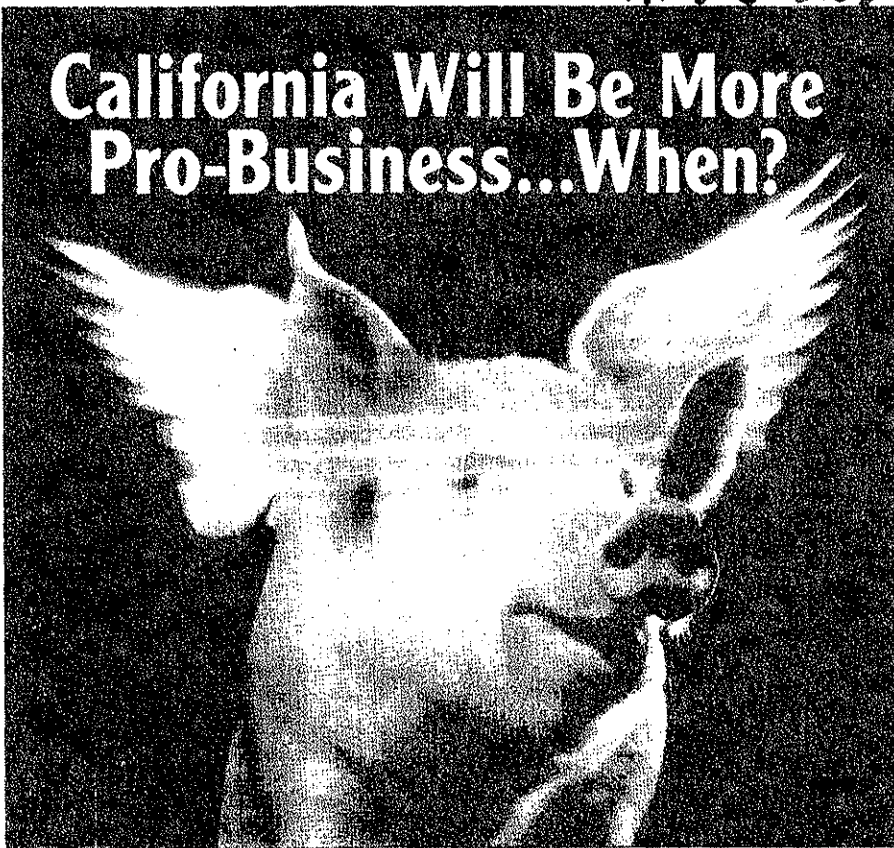
If California wants to have a climate change program that serves as a model for the country and even the world, the Air Resources Board must implement its program in a way that doesn't drive our economy into the ground and make today's unemployment rates and recession statistics look like the "good ol' days."

Sanjay Varshney is dean of the College of Business Administration at Cal State Sacramento. Dennis Tootelian is director of the Center for Small Business and a professor of marketing in the College of Business at Cal State Sacramento.

AUG. 8 - 2009

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Nevada is funding ads that compare California legislators to talking chimps, saying the Golden State will be more business-friendly when pigs fly, and telling business owners that they can "kiss their assets goodbye" if they stay.

KICKING CALIFORNIA

Nevada spends \$250,000 on ads that skewer the Golden State