



Edwin Lombard Management, LLC

Consultant & Fundraising Group

My name is Edwin Lombard, representing the Sacramento Black Chamber of Commerce.

We are disappointed that, as was the case with the approval of the Scoping Plan last year, you are preparing to adopt a rule based on incomplete economic analysis and without conducting other environmental, performance and supply evaluations required by law.

Once again, independent researchers and reviewers have concluded that your staff report is based on incomplete and inaccurate assumptions, resulting in grossly underestimated costs for this program. Once again, your staff theorizes that costs will be minimal.

Last month I attended the meeting of this board and observed your adoption of the new tire inflation rule. That entire rule required was that vehicle maintenance shops check the tire pressure of their customers' cars – and even that had a price tag of \$100 million, which staff acknowledged would be passed along to consumers. \$100 million just for checking your tire pressure!

But the Low Carbon Fuel Standard won't cost much? Something is very wrong with this picture. One independent study estimated it will cost \$3.7 billion a year, AND actually increase smog-forming emissions.

The Sacramento Black Chamber still supports the goals of AB 32. But we can't support rules, like the Low Carbon Fuel Standard, that is insufficiently researched, will impose higher fuel costs that we can't afford, and put our air quality at risk.

We are also disappointed that you seem so willing to invest billions of our money in a program that cannot possibly slow down global warming unless the rest of the world comes along with us. The rest of the world isn't coming with us, neither is the rest of the country. So we'll be spending billions on nothing more than a grand gesture.

Once again, we ask you to consider all the facts, including the current state of the economy and the global nature of global warming, before imposing yet another financial burden on a state increasingly less able to afford it.

Edwin Lombard
09-4-4

Aubry Stone

California Black Chamber of Commerce

The Black Chamber of Commerce has been engaging to the greatest extent possible for quite some time. It has been an eye opening experience.

We support the goals of AB 32 but are concerned about the costs associated with its implementation. From the beginning we have been asking for a meaningful economic analysis that would disclose what AB 32 policies would cost our members and what the time frame would be. We have never gotten a satisfactory answer.

The economic analysis prepared for the scoping plan showed – in the fine print – billions of dollars in costs but concluded that somehow there would be no financial burden to anyone. This is because it averaged all the costs over many years and offset them by estimated energy efficiency savings over the same time period. What was conspicuously missing was how those costs would be spread out in the near and mid term, and how those costs would be allocated. That economic analysis was and is meaningless, and the publicized conclusions have been at best misleading.

Our concerns were mirrored by the Legislative Analyst and the CARB's independent peer reviewers. These highly respected folks basically said CARB's economic analysis was seriously flawed and should not be relied upon by either government or the public. They said the costs were severely understated, and could put some small businesses – like our members – out of business.

CARB has also ignored the current economic conditions we are all facing in California, unemployment over 10%, higher taxes and less services to close the budget gap, the mortgage crisis, and the unavailability of credit.

The small, minority-owned businesses that make up our membership are already struggling to keep their doors open and have been hit hard by these other economic conditions. Even under the best of circumstances California rates as one of the worst places to do business in the country, because of its high taxes and costly regulations – not the least of which are environmental laws already on the books independent of AB 32.

So when we see billions of dollars on the line for carbon reduction when other states and other countries are proceeding more cautiously in light of the economic realities, and California in what appears to be a total state of denial, you can bet we worry.

As I said earlier, we support the goals of AB 32.

We haven't asked, like some, for AB 32 to be overturned. What we have asked is that the process be slowed down to a responsible pace so the necessary economic analysis could be completed and regulations adopted that wouldn't put a lot of folks out of business and hurt our economy any more

than it's already hurting. We've been told that's impossible because of statutory deadlines. That's somewhat baffling, because the law also requires that AB 32 regulations be cost effective, minimize leakage, and take care not to disproportionately impact low income communities – again – where many of our stakeholders fit in. You can't use statutory deadlines as an excuse to enact bad policies without doing your homework, but then ignore the very statutory provisions that require you to do that homework. You can't have it both ways.

That's why the Black Chamber is a sponsor of SB 295 – it doesn't ask to stop AB 32, but to wait until the economy is in better condition to bear the costs of implementation. It's tied to the unemployment rate – which right now is higher than it's been in 25 years or so.

For whatever reason, it seems the Legislature has not been getting the whole story about the impacts of AB 32 or the concerns of the community about what it will cost. Since CARB has chosen to hide behind parts of the law rather than face the alarming economic risks associated with AB 32 implementation, we've had to take it to the Legislature. We take the economic threat of AB 32 that seriously.

Even if you don't like SB 295, you have GOT to do something to get this thing back on track so it will be done right. You've got to get the answers to the tough questions BEFORE you get too far down the road on policies that will cost billions, put folks out of business and out of work, and not do much to reduce carbon emissions since no one else is proceeding at this pace.

You're talking about real business, real people in real communities. We're asking you to protect our jobs and our quality of life with the same zeal with which you are trying to protect the planet from carbon. Thank you.

Pastor Robert Jones
The Amen Group
California Air Resources Board
April 23, 2009

People in the communities we serve care about the environment. We deal with the effects of pollution every day and tend to be strong advocates for environmental justice. But that doesn't mean we can assume every policy with a "Green" label is necessarily good or desirable.

So we have to look carefully at things like the Low Carbon Fuel Standard and ask:

- How will it benefit the environment in our community?
- How much will it cost?
- Will there be unintended consequences in our community or elsewhere?

As to environmental benefit, it seems there might be a minimal improvement in air quality, but this is about reducing carbon emissions, not smog. Frankly if families in our community could afford to buy a newer, cleaner conventional car they'd probably see more direct benefit than by using a lower-carbon fuel.

As to cost, your staff doesn't seem to think it will be that much. But even a few pennies is too much for working or unemployed families right now, and we think it's unrealistic to assume there won't be some cost – either at the pump or in the prices of food and other essentials that come to us by truck.

Even more troubling are the indirect environmental consequences. Corn ethanol is said to be less energy-efficient than regular gasoline, and takes a lot of water to grow. It takes a lot of land, and uses fertilizers that some say are dangerous for our air and water. Worse, advocates for the world's poor have expressed concern that bio-fuels increase the cost of food and make life even harder for the growing number of poor families on the planet. Since bio-fuels are a big part of the Low Carbon Fuel Standard, we must pay attention to this.

It would be immoral to contribute to the suffering not only of the poor in California but the poor in the rest of the world, who are arguably far worse off than we are here.

Underlying all this is the fact that if the rest of the world doesn't do something at the same level and the same time California does, this won't really do anything to reduce global warming.

As much as we'd like to support this rule, we can't. It will divert precious resources away from desperately needed human services in pursuit of a goal impossible to achieve without a fully integrated international effort.

Considering the costs and the limited benefits, we'd like to see you take some more time to study this before adopting a low carbon fuel standard.

Thank you.

***Carol Lee Tolbert
Executive Director
Civic Pride***

Civic Pride is a nonprofit, youth-oriented, non-partisan civic organization dedicated to celebrating civic values, individual responsibility, and cultural diversity. Our vision at civic Pride is to create civic-minded communities and provide opportunities for our youth to develop responsible citizenship skills.

Environmental awareness and responsibility are a natural fit for our organization. We want our youth to respect our environment and grow up and live in a healthy world. We also want them to get the best possible education, to prepare them for secure careers where they can make a good living, support their families and positively contribute to their communities. That means their economic environment must be as healthy as their physical environment.

You can't have one without the other. That's why I've come here from Oakland today to ask you to take more time to fully evaluate the Low Carbon Fuel Standard. The purpose of the standard is to reduce carbon emissions from transportation fuels, which contribute to global warming. But it appears that the true costs of this policy have not been thoroughly analyzed, the necessary fuels developed and/or available, and the full environmental and public health impact of some fuels not evaluated as required by law.

The costs are critically important. As a nonprofit organization, we know that there's only so much money to go around, and competition for those dollars is fierce. In today's economy it's harder and harder to cobble together the resources to keep our programs going.

If, as many believe, this rule drives fuel prices higher, the businesses and individuals whose generosity makes our work possible will have even less to share with Civic Pride, and that will hurt our kids.

It's also important to be sure that this rule won't have us trading one environmental problem for another. While reducing carbon emissions through increased use of ethanol and other bio-fuels, for example, we might be increasing emissions that contribute to smog; or driving up the cost of food as more and more food crops are diverted to fuel use.

Further, since California will be undertaking this enormous initiative alone, it's unlikely there will be any reduction in worldwide global warming.

Given those realities, we're having difficulty comprehending the seemingly irrational rush to adopt this rule before learning everything possible about what it will cost, what environmental benefits will really be achieved, and what unintended consequences we might face if we don't rigorously examine all aspects in advance.

That's what we would teach our kids to do as a matter of civic responsibility and sound environmental stewardship. We don't think it's unreasonable to expect the same of this agency.

Thank you.

April 23, 2009

Tara McClanahan
4-23-09

I own a small business here in Sacramento. I've been following the development of AB 32 policies for quite some time now, not only because I believe in its goals but because I believe if it's not done right it will ultimately hurt our people and our state.

I last addressed this board in December, when you adopted the AB 32 Scoping Plan. At that time I expressed concern that your economic analysis didn't accurately reflect the costs, especially in the short or medium term. I was particularly concerned that both the Legislative Analyst and the peer reviewers all concluded the costs were grossly understated.

Now you're about to adopt a Low Carbon Fuel Standard, and it looks like even less analysis has been done – not only about the costs but about the availability of the fuels and technologies, as well as potential negative impacts on the environment and public health.

You also don't seem to have taken into account current economic conditions – it's bad out there, by the way – or the fact that unless the rest of the world does the same thing all this money and effort isn't going to a darned thing to reduce global warming.

I'm hearing a lot about setting an example for the rest of the world. But what I want to know is – what kind of example is it to force fuel providers to use products that may not even have been invented yet, may not work well in the vehicles we currently drive, may actually increase pollution, and may cost more than our poor economy can afford? To me, it sounds like an example of poor planning and unreasonable risk at a time we can't afford the gamble.

If getting the carbon out of our fuel is so important, shouldn't we take the time to do it right? Shouldn't we make it as easy and affordable as possible? And shouldn't we pace ourselves so we're doing this in real partnership with the rest of the country and the world so we can succeed together in an effort we can only fail at if we try to do it alone?

I respectfully request that you slow down and don't try to take a shortcut on this very important policy.

Darryl Jenkins
100 Black Men, Sacramento

It's unusual for our organization to engage in environmental policy discussions. But AB 32 is an unusual law, and its implementation will have unusually far-reaching impacts.

We live in a time of enormous challenges, global warming among them. But global warming is not the only challenge. We also face crises in education, housing, unemployment, and the economy. So while addressing global warming, we must do so in the context of these other challenges which are equally important in their own ways.

What concerns us about the Low Carbon Fuel Standard is that if it is to succeed in meaningfully reducing greenhouse gas emissions it must be part of a coordinated worldwide effort, not an isolated program unique to California. Unfortunately it looks as if we are moving ahead alone.

And it looks like we'll be spending a lot of money for the privilege – billions by some estimates. While your staff doesn't seem to think the costs will be that high, they don't appear to have done sufficient analysis to support that theory. Considering the minimal environmental benefit, do we really want to write the equivalent of a blank check for this fuel standard?

There's not a bottomless well of resources out there, and it's reasonable to surmise that every dollar spent on low carbon fuels means one less dollar to spend on education, health care, housing and other essentials. This is unacceptable.

100 Black Men is dedicated to fostering values of responsibility in African American youth. That means making well-informed, responsible choices in all aspects of their lives. It means striking a balance and not putting all your eggs in one basket.

We believe these principles should apply to AB 32 rulemaking as well. We should do our homework and not put all our eggs in a single basket that's unsupported by the rest of the world. We should strike a balance that places our resources where they can do the most good – not only in the environmental arena but in other vital areas of our society.

We ask for your consideration of this bigger picture before you move ahead with the Low Carbon Fuel Standard. Thank you.

Julio Alvarado
Alvia Corporation

It's no secret that California consistently rates among the least business-friendly states in the country. Our taxes and cost of living are among the highest, our environmental regulations are stricter and more costly than anywhere else, and we pay some of the highest gas prices in the country on top of it.

This rule you're looking at today will pile even more costs onto that – over and above the cost of every other rule and law aimed at stopping global warming.

It's frustrating, because it seems that if a regulation is presented as part of a solution to global warming, it's perceived to be exempt from laws designed to make sure the costs are calculated, it's technically feasible, and won't have side effects that will increase other kinds of pollution and accelerate global warming in other parts of the country or the world.

It seems your staff has ignored key provisions of the Health and Safety Code when developing the Low Carbon Fuel Standard. We can only hope you'll insist they get the required California Environmental Council Review, do the required cost analysis, evaluate the impacts of this fuel reformulation on fuel supplies, and its effect on the competitiveness of California businesses, among other things.

Unless I'm mistaken, AB 32 didn't excuse global warming policies from following the law, and it didn't establish carbon reduction as being more important than the economic health of our state's businesses, families and economy. As a matter of fact, AB 32 requires that global warming policies be cost-effective and take into account economic impacts.

There shouldn't have to be a choice between protecting the environment and protecting small businesses and the economy. There can and should be a reasonable balance between the two. A good start would be for you to postpone this rulemaking until all the legal requirements have been fulfilled and it can be demonstrated that it will be cost effective and environmentally relevant.