



December 3, 2008

ORIGINAL
Copies:

Board Clerk
Executive Officer
Chair

Ms. Mary Nichols, Chairman
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Dear Chair Nichols and Members of the Board:

The Contra Costa Council recognizes that climate change represents a significant challenge for our state, nation and the world. We should be proud that California has emerged as a model in the nation for taking the initiative to address global warming. The passage of AB 32 represents an important step in efforts to curb greenhouse gas emissions.

However, the technical details of how AB 32 is implemented can have enormous impacts on California's economy and residents. Implementation should focus on strategies that are market-based and cost-effective and will not jeopardize our economic competitiveness.

The California Air Resources Board (CARB) recently issued a scoping plan that outlines an extremely challenging regulatory program. While it is important to set ambitious goals, we are concerned that the draft plan has not adequately assessed the true costs to businesses and residents. For example, it is likely to drive up the cost of electricity, natural gas, transportation fuel, and construction of homes and businesses. The plan does not evaluate alternatives in order to confirm that we are following the most cost-efficient path. And, as proposed, the plan gives only a minimal role to a market-based trading system that would ensure overall emission reductions goals are met but would give businesses flexibility as they work to meet the new requirements.

We suggest that CARB take time to conduct a balanced economic analysis of the costs to businesses and consumers so we can be confident that the final plan will not harm our economy. It should also analyze the impacts of existing and proposed regulations on the competitiveness of California companies and place greater emphasis on a market-based cap and trade system. We also encourage incentive programs, such as tax write-offs for equipment, R & D grants and incentives for entrepreneurs.

The Council recognizes that time is of the essence to reduce emissions and avoid the worst effects of global warming. This further analysis should be conducted quickly so we can move forward with a plan that will be a model for the rest of the nation.

Sincerely yours,

Linda Best, President and CEO

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