



metrochamber

SACRAMENTO METROPOLITAN
CHAMBER OF COMMERCE

CO 12-109

ORIGINAL
Copies:

Board Clerk
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December 11, 2008

The Honorable Mary D. Nichols
Chairwoman
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

RE: Draft Climate Change Scoping Plan LAO Findings

Dear Ms. Nichols:

I am writing to express the Sacramento Metro Chamber's concerns and request clarification regarding how the California Air Resources Board (ARB) will resolve the Legislative Analyst's Office (LAO) findings regarding the Draft Climate Change Scoping Plan, which are outlined in a letter to Assemblyman Roger Niello dated November 17, 2008. These findings are listed below.

- The scoping plan's overall emissions reductions and purported net economic benefit are highly reliant on one measure – the Pavley regulations.
- The plan's evaluation of the costs and savings of some recommended measures is inconsistent and incomplete.
- Macroeconomic modeling results show a slight net economic benefit to the plan, but ARB failed to demonstrate the analytical rigor of its findings.
- Economic analysis played a limited role in development of scoping plan.
- The plan fails to lay out an "investment pathway."

As the largest, oldest, and most prominent voice of business in the greater Sacramento area, the Sacramento Metro Chamber is cognizant of the opportunities that AB 32 implementation presents for several business sectors, particularly the Clean Energy Technology sector. However, we are also wary of the potential for significant negative impacts, both direct and indirect, that could accrue to all business sectors, and particularly the 3.5 million small businesses throughout California. Unfortunately, the LAO's findings do little to allay our concerns.

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CHAMBER OF COMMERCE

Representing nearly 2,500 member businesses and business organizations in the six-county Sacramento region, the Sacramento Metro Chamber serves as the region's voice of business and is the leading proponent of regional cooperation on issues affecting business, economic development and quality of life.

As a member of the AB 32 Small Business Coalition, the Metro Chamber is committed to a collaborative dialogue to ensure AB 32 is implemented in a manner which achieves a healthier and more sustainable natural environment while simultaneously enhancing economic prosperity. I look forward to hearing about the actions your agency is taking to address the LAO's findings.

Sincerely,

Matthew R. Mahood
President & CEO

- Cc: Assembly Member Roger Niello
- Assembly Republican Leader Mike Villines
- James Goldstene, Executive Officer, CA Air Resources Board
- Linda S. Adams, Secretary, CalEPA
- Alison Stauffer, AB 32 Small Business Coalition

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