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Peter Cooper



California Labor Federation | AFL-CIO

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ART PULASKI, Executive Secretary Treasurer CONNIE LEYVA, President www.workingcalifornia.org

December 8, 2008

Chairman Mary Nichols
Members of the Board
California Air Resources Board
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

Dear Chairman Nichols and Members of the Board:

I am writing on behalf of the California Labor Federation in response to the Air Resources Board's proposed scoping plan.

Labor has a significant stake in the policy deliberations on AB32 implementation. The Labor Federation represents more than 2 million California workers. High carbon-emitting sectors generally have higher than average union density. More often than not, workers and disadvantaged populations disproportionately bear the hazards and costs of industrial pollution. Additionally, working families disproportionately bear the risks of economic transition.

California has a momentous opportunity to model for the nation that bold climate change mitigation is the best economic stimulus. The state's unemployment rate is the 3rd highest in the nation, currently losing 16,000 jobs a month. The support of the labor movement in the implementation of AB 32 rests, in large part, on the willingness of policymakers to address economic concerns. Critical policy decisions before the ARB must be made in the best interest of California's working families, economic stimulus, and equity.

While we remain very skeptical that markets can be relied upon to help assure the needed transition, we know that some form of market mechanism will likely be a part of the implementation of AB32. If there is a cap and trade system, it must be designed in a way that best benefits California, and it must be closely managed by the public for the public good.

The California Labor Federation urges the Air Resources Board to adopt the following 7 actions:

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The Labor Federation is very concerned that labor is not listed as a stakeholder group of the formal structure of rulemaking. This is a major oversight, one that reinforces concern that labor continues to be excluded from formal ARB committees charged with decision-making that will impact millions of working Californians.

4. Establish a California Carbon Trust Advisory Council.

Each carbon allowance received by a company is a public subsidy, and any revenue generated through the auctioning of pollution credits must be considered a public good.

The Labor Federation recommends the creation of a broad-based advisory council of diverse stakeholders responsible for guiding the investment of auction revenue, including developing criteria, accountability standards, and approving projects. This Carbon Trust Advisory Council must be a public body with strong public oversight.

The Labor Federation strongly urges that organized labor is a key stakeholder on the Carbon Trust Advisory Council or any other body charged with advising the investment of auction revenue.

5. Connect Strong Labor Standards to Public Investments.

The struggle against global warming is an opportunity to rebuild California's middle-class. However, there is no guarantee that markets alone will make green jobs "good jobs" with high wages, benefits, and career ladder potential.

The Labor Federation strongly urges that standards proven to create middle-class jobs -- including prevailing wage, state-approved apprenticeship standards, project labor agreements, and other protections -- are connected to any and all public subsidies invested to meet the requirements of AB32. Additionally, as was part of the national Green Jobs Act, criteria for public investments should be structured to prioritize labor-management training partnerships.

6. Strictly Limit Offsets and Adopt Sound Principles.

Offsets are emissions projects outside the capped sector that can be used to replace emissions reductions within the capped sector. The cap and trade program proposed in the scoping plan now includes an unacceptably high level of compliance offsets

The Labor Federation urges that the ARB not rely on offsets as a means of meeting AB32 targets. Strictly limiting offsets can help direct capital to clean tech solutions in high-emitting sectors and affect permanent GHG reductions. If offsets are used, they must be closely regulated and deemed eligible only if legitimate and effective. Offsets must also provide substantial economic co-benefits to California.

7. Invest Auction Revenues to Build a Green California.

Auction revenue must go to a California Carbon Trust and be reinvested in California to further the objectives of AB32. *Investments must be leveraged with, and not duplicate,*

d. Create Equity Programs for Consumers.

Equity programs could help ensure that lower income consumers and small businesses are protected from the impacts of the re-pricing of carbon fuels. Such programs might include direct assistance with energy bills, home and building weatherization and energy retrofits, the building of affordable green homes, etc.

The California Labor Federation appreciates the challenges facing the Air Resources Board in planning the implementation of AB32. We applaud the progress made thus far. However, the Labor Federation also urges significant improvement to the scoping plan, and strongly urges the inclusion of the voice of labor in further deliberations and policy development.

We believe that AB 32 is more than a landmark piece of climate change legislation. It is a historic opportunity to build a model economic stimulus program that creates thousands of high-quality green jobs for Californians.

Sincerely,

A handwritten signature in black ink that reads "Art Pulaski". The signature is written in a cursive, flowing style.

ART PULASKI
Executive Secretary-Treasurer

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