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August 8, 2008

Ms. Mary Nichols
Chair, California Air Resources Board
1001 I Street
Post Office Box 2815
Sacramento, California 95812



Re: **AB 32 Draft Scoping Plan**

Dear Ms. Nichols:

I am the Chairman of the Public Policy Committee for the Hispanic Chamber of Commerce of the Silicon Valley. The mission of the Hispanic Chamber Of Commerce Silicon Valley is to maximize Hispanic business and economic development of Silicon Valley by serving as an advocate and resource for its members, business owners, professionals, students and the community in general by being the premier voice for Hispanic and minority businesses.

I am writing to express my concerns about the Draft AB 32 Scoping Plan and Appendices recently published by the Air Resources Board.

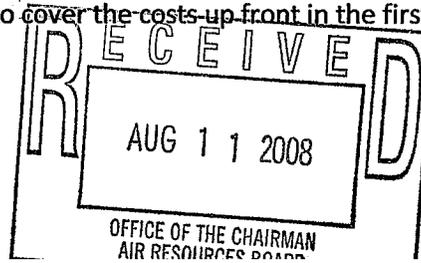
While I support the goals of AB 32, it is apparent that a reality check is needed as to the actual costs of this legislation and its overall impact on our economy, our businesses, consumers, and the everyday lives of California families. Nowhere will these costs and impacts be more severely felt than by minority-owned and small businesses, low-income neighborhoods and communities of color.

Both the Scoping Plan and the appendices place a disproportionate emphasis on the vision of California leading the world in climate change policy, and not nearly enough honest analysis of what this leadership will cost us. Throughout the Scoping Plan appendices it was noted time and again that the true costs of AB 32 programs won't be known until the policies are actually adopted or the technologies actually placed in use. But the Draft Scoping Plan did mention billions of dollars in annual costs for public goods service charges and carbon fees alone. It acknowledged that utility and fuel costs would go up. Clearly, there is unlimited potential for a multi-billion dollar drain on the budgets of all Californians, with those least able to afford it having the most to lose.

The general economic climate in our state has been ignored throughout these plans and calculations. We are facing higher personal and corporate income taxes to make up the budget deficit, proposals for multiple increases in sales tax, gas taxes and vehicle registration fees at the state, regional and local level. We are staggering under the burden of rapidly rising fuel and utility costs, and many of the state's major utilities have announced they will seek significant rate hikes that consumers fear they will not be able to afford. All of this before spending the first cent on AB 32.

The Scoping Plan projects that there will be long-term energy savings from these policies, but it does not explain how our businesses and families will be able to cover the costs up front in the first years of the program.

Hispanic Chamber of Commerce Silicon Valley
310 S. First St., San Jose, CA 95113



While I support the goals of AB 32, it is impossible for me to support the Scoping Plan and Appendices. Without a fiscally responsible approach, the goals will not be achieved and many small and minority-owned business, low-income families and minority communities will face economic ruin.

Please take a more realistic look at the consequences you will be imposing on us, and give us a plan that will get us the needed emissions reductions without inflicting unreasonable and unsustainable financial burdens on our businesses and communities.

Thank you.

A handwritten signature in black ink, appearing to read "James Duran". The signature is fluid and cursive, with a large initial "J" and "D".

James Duran, Chairman, Public Policy Comm.
Hispanic Chamber of Commerce, Silicon Valley

cc: RP 916 552-2323