

CO 8-52

American GI Forum Of The U.S.
Modesto Chapter
Veterans in Community Advocacy

1228 I Street
Modesto, CA 95354



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 and Appendices

Dear Ms. Nichols:

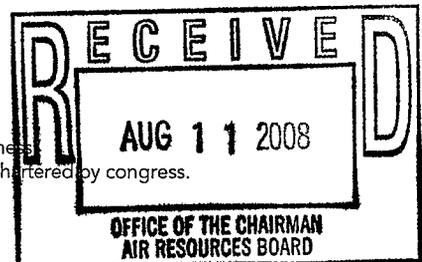
I am Francisco Alvarez, Commander of the American GI Forum, Modesto Chapter. Growing out of necessity, the American GI Forum has been serving Latino veterans and their families since 1948. The GI Forum continues to grow as a symbol of unity and patriotism among a growing nation of immigrants

The GI Forum is concerned about the possible economic impacts of AB 32 on Latino and other veteran and minority-owned businesses and the Draft Scoping Plan does little to alleviate those concerns. The CARB Scoping Plan and Appendices we have seen so far acknowledge there will be costs, but do not provide realistic or complete economic analyses to give us an idea of how much those costs will be or who will pay them.

In its Scoping Plan, CARB assumes that long-term savings from more efficient technologies will offset many costs. However, we note that significant investment is needed up front before any of these savings can be realized. In addition, whether it is a large utility company spending billions and passing the cost on to ratepayers, or a small business being required to invest capital in so-called green technologies, it is clear there are going to be some serious cost increases in the early years of implementation.

Long-term benefits are only meaningful if you can afford to get through the transition period – the short and the medium term. Frankly, many of our veterans do not have the resources to absorb those higher costs, or make those types of investments. They are more likely to go out of business, or severely reduce their workforces and operations to stay in business, long before the long-term benefits emerge.

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We recognize and appreciate that the CARB calls for investments in so-called "disadvantaged" communities, and the development of green jobs. However, specific programs have yet to be defined, and it is unclear how much benefit most veteran-owned businesses and their communities will actually realize.

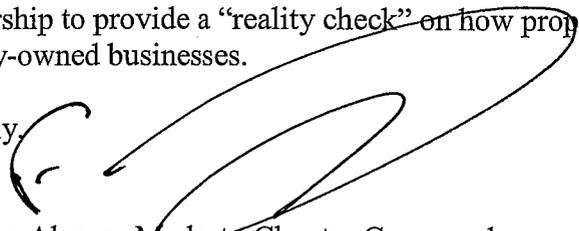
Individually, a good many veteran-owned businesses are small - sometimes mom and pop operations or modest sized companies - that struggle every day to survive amid rising energy costs, high taxes and the overall cost of doing business in our state. Nevertheless, combined, with other Hispanic-owned businesses they comprise almost half a million small businesses that make a valuable contribution to our economy as employers, taxpayers and providers of goods and services.

It is critically important that CARB take an honest and objective look at the real costs AB 32 implementation will be imposing on minority-owned and other small businesses, not just over the long term but also on a monthly or annual basis. We do not have the resources to budget or operate any other way, so it is critical to our survival that AB 32 policies be as cost-effective as possible and keep the burdens on small and veteran -owned businesses manageable.

Please produce a fiscally responsible approach to the implementation of AB 32 or its goals will not be reached and many small and minority-owned business, low-income families and minority communities will face economic ruin. Give us a plan that will get us the emissions reductions without inflicting unreasonable and unsustainable financial burdens on our businesses and communities.

We suggest that CARB establish a Small Business Advisory Committee with appropriate membership to provide a "reality check" on how proposed regulations will actually affect small, minority-owned businesses.

Sincerely,



Francisco Alvarez Modesto Chapter Commander
American GI Forum of California