

LACN GOVERNMENT AFFAIRS UPDATE

Legislative and Regulatory E-mailed news and information from the Lumber Association of California & Nevada
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This E-mailed report is a service of your Lumber Association of California & Nevada with current information on legislative and regulatory matters. In most instances there will be additional information attached with this report. If there are others in your firm who should receive this report, please contact kend@lumberassociation.org.

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LACN joins effort to suspend AB 32

The Lumber Association of California and Nevada (LACN) has joined the attempt to save jobs and improve the economy by supporting the “California Jobs Initiative” to temporarily suspend AB 32 (California’s Global Warming Law).

In 2006, the Governor signed AB 32 into law, which requires California to reduce emissions to 1990 levels by 2020. The California Air Resources Board (CARB) was tasked with developing new regulations with implementation beginning in 2011. CARB is one of the state’s most controversial agencies, challenged for using unscientific data, its arbitrary approach and ignoring many reasonable proposals by business. Even CARB admits California alone can’t have an impact on reducing global warming yet continues to move ahead with no sound, valid economic analysis of the total impact to implement this program.

LACN’s recent Government Affairs Day in Sacramento focused on the ballot initiative with a presentation from Assembly Member Dan Logue (R-Chico) who has been an early advocate of the proposal. Logue’s presentation to LACN came the same week that the Secretary of State announced that the initiative language had been approved and signature collection could begin.

Since 2006, California has suffered from perpetual state budget crises and a recession that has cost thousands of jobs – many in the lumber, building materials and wood products industry. When AB 32 was passed in 2006, California was stronger financially than it is now. Many California families are being hit hard by job loss, foreclosures, furloughs and many other challenges. At the time AB 32 was enacted, California’s unemployment rate was 4.8%. It is now 12.4%.

The initiative would suspend any implementation of AB 32 until the state’s unemployment rate returns to 5.5% for four consecutive quarters.

Advocates urge that California focus on creating jobs and improving the economy, not implementing expensive regulations that will create more bureaucracy and burden businesses already struggling to keep their doors open in this economy, says initiative supporters. Businesses and consumers will be greatly harmed by these additional costly regulations, which will result in fewer jobs and higher costs that are passed onto consumers. While protecting the environment is important, one of the reasonable approaches is to delay the implementation of AB 32 until California’s economy has recovered

AB 32 will do serious harm to our state’s economy without having any measurable impact on global warming. Here are a few of the estimated costs AB 32 would impose:

- Over 1.1 million lost jobs (Sacramento State University economists)
- \$3.7 billion in higher gasoline and diesel costs (Sierra Research)
- Up to \$50,000 in the cost of a new home (National Renewable Energy Laboratory)
- Up to 60 percent higher retail electricity rates (Southern California Public Power Authority)
- An 8% increase in natural gas costs (CARB)
- Possible \$143 billion cap and trade auction tax to offset AB 32’s higher energy prices and job losses (CARB Economic Allocation and Advisory Committee)

LACN is part of a growing coalition of organizations and businesses including the California Small Business Alliance, California League of Food Processors, Howard Jarvis Taxpayers Association. **Individual businesses are invited to be part of the coalition by signing the support form attached above Additional information is also attached.** LACN PAC has made a contribution to the organization.

Signature collection has begun with a goal of 720,000 signature between now and late April. Funding for the initial campaign is estimated at \$2.5 million with the full media campaign to begin once the measure makes the ballot.

The website for the initiative is www.jobs2010ca.com Additional information is also available from LACN. Financial support is also needed and information may be found at the website.