Unfortunately, several studies now predict that implementation of AB 32 will cost small business billions of dollars, further slowing economic recovery and that essential job creation. In a report released by the Legislative Analysts Office (LAO) on February 2, 2010[1], it was stated "… the suspension of AB 32 regulations might allow some businesses to avoid significant investments they might otherwise be mandated to make in new energy technologies. This could potentially lead to larger net profits for these firms, at least in the short term, than would otherwise occur. To the extent that such impacts occurred, the state could collect greater state corporate tax revenues than would otherwise be the case."

Suspension of implementation could directly affect the average consumer, and through them the overall economy. In the same report noted above, the LAO indicated that "Similarly, the suspension of the proposed cap-and-trade regulations could result in lower energy prices for consumers, including state and local government agencies that are large consumers of energy, than would be the case if AB 32 regulations were allowed to take effect. These lower energy prices, in turn, also would have positive economic impacts on the state. As a result, the measure would likely have a positive impact on state and local government revenues, at least in the near term."

On a more local level, we continue to hear references to regulations of and within the State as an obstacle to employment opportunities moving to or expanding within our County. Therefore, we cannot support further implementation of laws that at any level discourage local job creation.

Costs of Implementation: In addition to slowing economic recovery and job growth, the direct cost to local government for the regulations cannot be ignored, especially in this era of fiscal crisis. AB 32 costs local governments in terms of manpower and scarce funds as cities and counties struggle to review and evaluate multiple proposals and decisions, and to develop coherent implementation plans to address the still evolving regulatory directives issued by the various State agencies with a stake in implementing AB 32.

CONCLUSIONS: Riverside County is committed to fulfilling its responsibilities to our residents and future generations of our County, the state and the world at large. Likewise, we endorse goals of environmentally friendly development and efficient, sustainable land use planning.

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[1] The Californian Jobs Initiative, A.G. File No. 09-0105 referenced at http://www.lao.ca.gov/ballot/2009/090852.aspx