

Strengthening the Voice of Business

- BizFed's Member Alliance**
 AIA Los Angeles
 Alhambra Chamber
 American Beverage Association
 Antelope Valley Board of Trade
 Apartment Association, California Southern Cities
 Apartment Association of Greater Los Angeles
 Arcadia Association of Realtors
 Arcadia Chamber
 Asian American Business Women Association
 Asian American Economic Development Enterprise
 Asian Business Association
 Association of Independent Commercial Producers
 Assua Chamber
 Bell Gardens Chamber
 Beverly Hills Chamber
 Beverly Hills / Greater LA Association of Realtors
 Burbank Association of Realtors
 Burbank Chamber
 Building Industry Association, LA / Ventura Counties
 Building Owners & Managers Association, Greater LA
 CalAsian Chamber
 California Apartment Association, Los Angeles
 California Business Roundtable
 California Cannabis Industry Association
 California Construction Industry and Materials Association
 California Contract Cities Association
 California Consumer Finance Association
 California Fashion Association
 California Grocers Association
 California Hotel & Lodging Association
 California Independent Bankers
 California Independent Petroleum Association
 California Life Sciences Association
 California Metals Coalition
 California Restaurant Association
 California Small Business Alliance
 California Trucking Association
 CALInnovates
 Carson Dominguez Employers Alliance
 Central City Association
 Century City Chamber
 Citrus Valley Association of Realtors
 Coalition for a Prosperous America
 Community Associations Institute, Los Angeles
 Construction Industry Air and Water Quality Coalitions
 Consumer Healthcare Products Association
 Council on Trade and Investment for Filipino Americans
 Culver City Chamber
 Downey Association of Realtors
 Downtown Long Beach Associates
 El Monte/South El Monte Chamber
 Employers Group
 Engineering Contractor's Association
 Entrepreneurs Organization, Los Angeles
 F.A.S.T.-Fixing Angeles' Stuck in Traffic
 Filipino American SEC
 FilmLA
 Foreign Trade Association
 FuturePorts
 FWD.us
 Gateway to LA
 Glendale Association of Realtors
 Glendale Chamber
 Glendora Chamber
 Greater Los Angeles Auto Show
 Greater Lakewood Chamber
 Greater Los Angeles African American Chamber
 Greater Los Angeles New Car Dealers Association
 Harbor Association of Industry and Commerce
 Harbor City / Harbor Gateway Chamber
 Harbor Trucking Association
 Hollywood Chamber
 Hospital Association of Southern California
 Hotel Association of Los Angeles
 Industry Manufacturers Council
 International Warehouse Logistics Association
 Inglewood Airport Area Chamber
 Irwindale Chamber
 Japan Business Association of Southern California
 La Canada Flintridge Chamber
 LAX Coastal Area Chamber
 Leadership for Urban Renewal Network
 League of California Cities
 Long Beach Area Chamber
 Los Angeles Area Chamber
 Los Angeles Black MBA Association
 Los Angeles Cleantech Incubator
 Los Angeles County Bicycle Coalition
 Los Angeles County Consumer Affairs
 Los Angeles County Waste Management Association
 Los Angeles Junior Chamber
 Los Angeles Latino Chamber
 Los Angeles Metropolitan Hispanic Chamber
 Malibu Chamber
 Los Angeles Parking Association
 Los Angeles Urban League
 Los Angeles World Affairs Council
 Pacific Palisades Chamber
 Pasadena Chamber
 Pomona Chamber
 Maple Business Council
 Motion Picture Association of America
 MoveLA
 Most Worshipful Hiram Tyre Grand Lodge
 NAIOP Southern California Chapter
 National Alliance for Jobs and Innovation
 National Association of Women Business Owners, LA
 Pacific Merchant Shipping Association
 Pasadena-Foothills Association of Realtors
 Recording Industry Association of America
 Redondo Beach Chamber
 Regional Black - San Fernando Valley Chamber
 Regional Hispanic Chamber
 Regional San Gabriel Valley Chamber
 Rosemead Chamber
 Rotary Club of Los Angeles
 San Gabriel Chamber
 San Gabriel Valley Civic Alliance
 San Gabriel Valley Economic Partnership
 Santa Clarita Valley Economic Development Corp.
 San Pedro Peninsula Chamber
 Santa Monica Chamber
 Santa Monica Junior Chamber
 Small Business Action Committee
 Society of Hispanic Professional Engineers - Los Angeles
 South Asian Business Alliance Network
 South Bay Association of Chambers
 South Bay Association of Realtors
 Southern California Golf Association
 Southern California Manufacturers
 Southern California Minority Supplier Development Council Inc.
 Southern California Water Committee
 Southland Regional Association of Realtors
 South Park Stakeholders Group
 Toluca Lake Chamber
 Torrance Area Chamber
 Town Hall Los Angeles
 Tri-Counties Association of Realtors
 United Chambers San Fernando Valley
 Universal City North Hollywood Chamber
 United States-Mexico Chamber
 U.S. Green Building Council-LA
 Valley Economic Alliance
 Valley Economic Development Center
 Valley Industry & Commerce Association
 Valley International Trade Association
 Vernon Chamber
 Vietnamese American Chamber
 Water Replenishment District
 We Care for Humanity
 West Hollywood Chamber
 West Los Angeles Chamber
 West San Gabriel Valley Association
 Western Manufacturers Housing Association
 Westside Council of Chambers
 Western States Petroleum Association
 West Valley/Warner Center Chamber
 Westwood Village Improvement Association
 Wilmington Chamber
 Young Professionals in Energy - LA Chapter
 Youth Business Alliance
 Warner Center Association

August 16, 2016

The Honorable Fran Pavley
 State Capitol, Room 5108
 Sacramento, CA 95814

Re: SB 32 (Pavley) Global Warming Solutions Act of 2006: Emissions Limit

Dear Senator Pavley:

On behalf of the Los Angeles County Business Federation ("BizFed") - a grassroots alliance of more than 160 top business groups representing 275,000 employers with 3 million employees throughout Los Angeles County - we are writing to respectfully oppose SB 32, as amended on June 30, 2016. Please accept this letter as our formal position on this version of the legislation.

BizFed understands that SB 32 (Pavley) is contingent on the passage of AB 197 (Garcia) *State Air Resources Board: Greenhouse Gases*, which establishes legislative oversight and establishes specified considerations that the Air Resources Board must make in future greenhouse gas regulations. We have also submitted a letter in opposition to AB 197, as amended on June 8, 2016, enclosed herein. We incorporate all of our points in the AB 197 opposition letter here.

A. It is Premature to Extend AB 32 While a Relevant Court of Appeals Decision is Pending.

The California Court of Appeal, Third District, is currently considering the legality of AB 32's Cap-and-Trade Program, specifically whether the auction proceeds are an unconstitutional tax. It would make the most sense to wait on SB 32 until this legal challenge is determined by the courts, to avoid piecemeal legislating. Because SB 32 does not extend Cap-and-Trade, any effort to do so would have to occur at a later date. It seems politically inefficient and infeasible to do so in subsequent legislative years. Moreover, the timing of SB 32's revival so late in this legislative session precludes the meaningful public discourse that is needed before any extension of AB 32 occurs. We address this latter point below.

B. SB 32 is also Premature Because there has been No Analysis of AB 32's Effectiveness or Cost.

SB 32 currently contains a provision requiring ARB, by January 1, 2018 and annually thereafter, to report the "amounts, sources, and locations" of greenhouse gas reductions achieved toward the statewide emissions limits. This provision should be a standalone requirement that comes ahead of any extension of AB 32. BizFed therefore requests an amendment that decouples this provision from the bill's current mandate that the state achieve a 40 percent reduction below AB 32 levels by 2030. We also request that the Legislature undertake other efforts to robustly analyze and understand the impacts of AB 32 regulation over the past decade, on both California businesses and jobs, by amending the bill to also require a similar report by the nonpartisan Legislative Analyst's Office. The Legislature now has a decade worth of information that can guide this area of the law and policy going forward, which is especially important as the state is posturing to set 2030 and 2050 standards.

Moreover, AB 197 does not address these concerns. While AB 197 appears to constrain the ability of ARB in regulating greenhouse gases in the future, the

ambiguity throughout the bill actually gives ARB unfettered discretion to achieve the reductions required by SB 32. BizFed cannot support SB 32 and AB 197 in their current form because they shirk the Legislature's moral responsibility to assess the effectiveness of existing greenhouse gas regulations – both in terms of cost and in terms of actual reductions achieved.

We appreciate the opportunity to explain our position and will remain engaged in this legislation throughout the remainder of the Legislative Session.



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