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# California State Senate

SENATOR  
**DARRELL STEINBERG**  
PRESIDENT PRO TEMPORE  
SIXTH SENATE DISTRICT

STANDING COMMITTEES:  
SENATE RULES  
CHAIR  
APPROPRIATIONS  
PUBLIC SAFETY



August 22, 2014

Assemblyman Henry T. Perea  
California State Assembly  
State Capitol Room 3120  
Sacramento, CA 95814

Dear Assemblyman Perea,

After careful consideration, I have decided not to recommend referral of AB-69 for a hearing. The bill was not introduced by the bill deadline. Recognizing that there are always exceptions to the general rule, a measure of this importance should not be considered in the final weeks of a two-year session.

I share your concern about the costs of combatting carbon emissions. But the cost of doing nothing is much greater. Business as usual is unsustainable. Inaction is not an option. If we are serious about reducing fuel costs and righting the public health and economic wrongs facing our constituents, we must wean ourselves off fossil fuels and invest in cleaner transportation alternatives and in low income communities as we did in this year's budget.

Pollution-caused healthcare costs are debilitating. Acceptance of Global Climate Change science has over-shadowed the fact that greenhouse gas emissions are still responsible for immediate and localized ozone pollution. California is home to the top five worst polluted cities in the nation for ozone-pollution, according to a recent report by the American Lung Association. More than 12 million Californians breathe air that is polluted beyond federal standards according the Air Resources Board.

A sobering CSU study showed that in Los Angeles and the San Joaquin Valley alone, polluted air inflicts a \$28 billion burden annually in health and economic costs. Without AB-32's clean transportation policies, Californians will suffer an additional \$8.3 billion in pollution-related health costs over the next decade. That includes 75,000 lost work days, 38,000 asthma attacks, 880 premature deaths and 600 heart attacks, according to a report co-authored by the American Lung Association.

Climate change has intensified California relentless drought conditions by fueling record-breaking warm temperatures, increasing deadly wildfires and scorching our state's lifeline snow pack. This stress on our water supply threatens to devastate the state's \$42 billion agricultural economy, upon which the economy of your district is vastly dependent. The Environmental Protection Agency instructs us that increased temperatures may make growing several temperature-sensitive specialty crops such as

apricots, almonds, artichokes, figs, kiwis, olives, walnuts, and wine grapes unviable in Fresno County and throughout the Valley.

The immediate impacts of climate change are already visible in California and burning through budgets, livelihoods, and economies. Annual acreage burned by wildfires since 2000 alone is almost twice that for the 1950-2000 period. A single wildfire such as the 2013 Rim fire costs more than \$125 million in fire suppression and \$736 million in environmental damage. A study by the UC Davis Center for Watershed Sciences concludes that California's current drought could cost the state \$2.2 billion in economic activity and a loss of 17,100 jobs.

The Pacific Institute and California Climate Change Center calculate that rising sea levels threaten 480,000 people and \$100 billion in property with catastrophic flooding. Doing nothing threatens threaten critical infrastructure such as schools, roads, hospitals, airports, power plants and wastewater treatment plants.

The National Transportation Research Center identifies an estimated \$300 billion in direct costs to lost Gross Domestic Product, wealth transfers and economic disruption nationwide as a result of oil dependence. With California representing 11% of the national transportation energy market, oil dependence is hammering our state economy to the tune of \$30 billion.

This does not include the above health costs, and lost time in congestion. Congestion is strangling our economy. A study by the Economic Development Research Corporation projects that congestion threatens 480,000 jobs, representing \$32 billion per year in income by 2040. Our state's road users are collectively on course to travel 1.1 billion miles daily by 2020, an increase of over 100 million miles travelled daily over the next six years.

Stalling California's clean transportation progress would result in thousands of lost jobs from a reduction in clean transportation investment. Using the federal-state formula, transportation infrastructure investment in this year's budget alone will result in more than 8,000 jobs. A 2009 study from Transform California showed that households in neighborhoods with good transit access in the state's four largest metro areas spent an average of \$3,800 less because of their lesser dependence on fossil-fuelled transit.

The 2014 state budget advanced the conversation about climate policies, economic development and social justice. Budget trailer bill SB-862, legislation that you voted for, laid out a long-term strategy to reduce carbon emissions through investing cap-and-trade revenue. This strategy, as you know, has added emphasis on disadvantaged communities disproportionately impacted by pollution and climate change. This year alone, \$200 million was invested in climate solutions in disadvantaged communities.

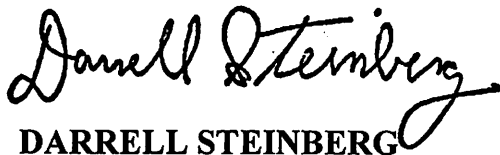
These are just some of the painful economics of doing nothing. It doesn't begin to address the direct economic benefits to disadvantaged communities of staying the course. A May 2014 study from the American Lung Association finds that California's Low Carbon Fuel Standard and transportation fuels under the cap will save Californians over \$10 billion in health and societal economic costs by 2020. The average Californian will pay 20 percent less in fuel bills by 2020 as a result of AB-32 thanks to increased diversity and competition among fuel suppliers. Millions of Californians received "climate credits" on their April electricity bills, between \$30 and \$40 each. That's money back in the pockets of California families and nearly ten-times greater than the projected annual impact to household budgets, should the oil industry opt to pass its costs of polluting onto consumers.

I could go on.

Bringing non-stationary fuels under the cap is not an unforeseen issue that demands legislation which sidesteps the democratic process. In June of this year, the Legislature approved a long-term strategy to invest cap and revenue in mass transit and transit-oriented development, with a \$200 million focus on disadvantaged communities. You voted in favor of the strategy. Utilities have been operating under the cap for years at no discernable cost to the public and non-stationary fuels have long been scheduled to join the carbon market. Finally, giving oil companies a free pass on AB-32 received the ultimate deliberative hearing in 2010: an overwhelming 62-38 vote of the California electorate - despite \$10 million from the oil industry attempting to convince voters otherwise.

I look forward to continuing to work with you in the weeks and years ahead.

Sincerely,

A handwritten signature in black ink that reads "Darrell Steinberg". The signature is written in a cursive, flowing style with a prominent loop at the end of the last name.

**DARRELL STEINBERG**  
President pro Tempore  
Sixth Senate District