

Republican Perspective

14 January 2015

by Ed Manning

California Air Resources Board - Champion of Central Planners

“The bureaucracy is expanding to meet the needs of the expanding bureaucracy” Oscar Wilde

The California Air Resources Board (CARB) was established in 1967 by Governor Ronald Reagan with the goals of attaining and maintaining healthy air quality; protecting the public from exposure to toxic air contaminants; and providing innovative approaches for complying with air pollution rules and regulations. California’s Global Warming Solution Act (AB 32) of 2006 was signed into law by Governor Arnold Schwarzenegger. AB 32 required CARB to develop regulations to reduce greenhouse gas emission to 1990 levels by the year 2020. An approximate 25% reduction.

The main stream media and many Democrats like to paint Republicans as anti-environment. Yet two of the state’s most progressive environmental pieces of legislation were adopted by Republican Governors.

Enter the “law of unintended consequences”. When the Democrats held supermajority status, the legislature figured out a way to exempt CARB from the state’s open meeting act. Another blow to governmental transparency and public disclosure.

CARB is now in the implementation stage of its litigious regulatory programs. The Pacific Legal Foundation, the Chamber of Commerce and the Alliance for California Business have filed lawsuits against it challenging the legality of various provisions. But this train has left the track, and California became the first state in the nation to implement a cap and trade program to curb greenhouse gas emissions.

Meeting the goal of AB 32 seems not to be an issue as Lawrence Berkeley National Lab recently concluded that California has nearly met it and will receive one-third of its electricity from renewable sources. Undaunted, Chairwoman Mary Nichols forges ahead with more planned regulation. In his inaugural speech, Governor Brown made another deposit to the Democrats environmental base. The Gov wants the state by 2035 to get one-half of its electricity from renewable sources and wants a reduction of petroleum use in cars and trucks by up to 50%. Maybe San Francisco will look like old Beijing with everyone riding bikes to and fro with full employment for rickshaw entrepreneurs.

In another interesting twist, Mrs. Nichols created Western Climate Initiative, Inc. to manage the state’s cap and trade auctions. Now most would believe this to be a Cali-

ifornia firm but au contraire, it was formed in Delaware. Why Delaware? Perhaps because it is a state that is not subject to California's open meetings and sunshine laws. Central planners can always find a way around public scrutiny even when their own legal staff waves caution flags.

AB 32 authorized but did not require CARB to initiate a cap and trade system to reduce greenhouse gas emissions. But the language was broad enough for central planners to decree their wisdom upon the mere mortals of the state. Forget the difficulties the European Union experienced in its carbon trading program.

The state's Legislative Analyst Office estimates the total cap-and-trade revenues from all auctions through 2020 could range from \$12 billion to \$45 billion. Governor Brown's 2015 budget forecasts \$832 million to be spent from cap and trade revenue. The largest amount, \$250 million goes to support construction of the high-speed rail system. The Budget also provides an ongoing commitment of 25 percent of future cap and trade proceeds to the high-speed rail project and specifies that \$400 million remaining from a prior General Fund loan also be available for the project. Did you know that the laborers, dozer and crane operators, truck drivers, etc will be considered employed on "green" jobs since high-speed rail is touted to reduce greenhouse gas emissions. This is how the environmental bureaucracy shapes the debate over an unsuspecting public.

Like most political efforts, one must follow the money. The estimated billions of revenue from California's cap and trade will be used to fund the high-speed boondoggle, "sustainable" communities and a host of other activities that supposedly reduce greenhouse gas emissions. Too bad none of the revenue will go towards a serious study of desalination to insure that the nation's breadbasket survives inevitable droughts. AB 32 does not mandate greenhouse gas emissions beyond 2020. Our legislature is well respected for its spending excess and the smart bet is for this money spigot never to be turned off.