CARB Members Do the Right Thing—Listen to the People about the Hidden Gas Tax

By John Kabateck
California Executive Director, National Federation of Independent Business
Monday, October 27th, 2014

Last week, I was proud to deliver 115,000 signed petitions on behalf of my fellow Californians on the controversial “fuels under the cap” regulation at the California Air Resources Board’s (CARB) Diamond Bar board meeting.

I was joined by dozens of community and educational leaders, elected officials, business organizations and concerned drivers as we gathered outside the California Air Resources Board (CARB) meeting in Diamond Bar to urge the Board to listen to the voices of its constituents and delay its regulation scheduled to take effect next January. Along with the petitions to CARB, our group urged the Board to place its contentious “fuels under the cap” regulation on a public meeting agenda to provide an opportunity for the public to be informed and heard on the negative impacts of higher fuel prices of 16 to 76 cents per gallon come January.

Higher consumer fuel prices will reduce other spending by consumers and result in the net loss of 18,000 jobs and nearly $3 billion in economic output in 2015 alone, according to an economic analysis by Encina Advisors. Independent experts and CARB’s own advisors have raised concerns that the current design flaws in California’s cap-and-trade market could result in much higher allowance prices, in which case economic losses would balloon to 66,000 jobs and nearly $11 billion in economic activity. These projected losses take into account spending of allowance revenue by the State of California, which will grow to several billion dollars once the “hidden gas tax” takes effect.

According to the analysis, lower-income families will be hit hardest by this tax increase because they spend as much as 38 percent more as a percentage of their income on gas, and because they work in the retail and service sectors that will see the highest number of job losses.

Small businesses will be harmed twice by this policy. Not only will it hike the cost of doing business, which hurts jobs and business growth, it will also take more money from California consumers at the pump that they won’t be able to spend at retail shops, restaurants and elsewhere. Instead of infusing local economies, these dollars will flow to Sacramento to support billions in more government spending on items such as high-speed rail that result in little or delayed economic activity, meaning the “hidden gas tax” will result in a net economic loss to California communities.

CARB members may not be elected, but they still have a duty to serve the public’s interest to meet these goals in responsible ways that do not harm our communities or our economy.

We commend what we are observing to be an increasing bi-partisan trend in Sacramento for more careful scrutiny of the economic impact of regulations and the effectiveness of state agencies. With CARB meeting in the coming months, they should hold this gas tax to same important standard. There’s still time to act. Let’s hope CARB members do the right thing and listen to the people in an effort to protect and save California jobs.

For more information go to: http://www.californiadriversalliance.org/about/
Luis Alvarado · President at Familias Unidas de California

I hope they listen. Prices may be low now, but in Jan the hidden tax will elevate the bottom. So when a refinery goes down or the war in Middle East affects petroleum prices we will see sky high prices for fuels.

Ronald Stein

CARB is pursuing more ways to raise money for the State, BUT it will hit the financially challenged with another cost! Lower income folks spend more as a percentage of their income on energy and work in industries that are most impacted by job losses. AB32 was implemented in 2006 when CA contributed a minuscule 1% to the world’s GHG’s. Now 8 years later we have higher costs for energy and for every industry that relies on energy, and we still have that 1% minuscule contribution to the World’s GHG’s.

Please note, statements and opinions expressed on the Fox&Hounds Blog are solely those of their respective authors and may not represent the views of Fox&Hounds Daily or its employees thereof. Fox&Hounds Daily is not responsible for the accuracy of any of the information supplied by the site’s bloggers.