



Joint Chambers Commission
El Dorado County,
El Dorado Hills and
Shingle Springs/Cameron Park
Chambers of Commerce





April 1, 2019

The Honorable Phil Ting
Assemblymember
California State Assembly
Capitol Room 6026
Sacramento, CA 95814

Dear Assemblymember Ting:

On behalf of the organizations listed above, we must **oppose your AB 40**, as it was introduced on December 3, 2018. AB 40 would require the California Air Resources Board (ARB) to develop a comprehensive strategy to ensure that the sales of new motor vehicles and new light-duty trucks in the state have transitioned fully to zero-emission vehicles by 2040. By requiring the ARB to develop a strategy and ensure that passenger vehicles sold after 2039 are zero-emission vehicles, AB 40 will operate as a de facto ban on the internal combustion engine.

As outlined in AB 40, the ARB would be required to develop a strategy by examining data gaps, coordinating with state agencies, assessing barriers to financing development and ownership, and identifying regulations that could help ensure market acceptance. While the outlines of the strategy provide a starting point, it fails to contemplate the myriad agencies, programs, and policies that play a role in ZEV adoption, and those which may be impacted. Only with a more robust analysis can the public and policy makers truly assess whether or not to limit choice for California’s 27 million drivers and 35 million registered vehicles. Without a more comprehensive and meaningful approach, AB 40:

Unnecessarily Limits Mobility and Transportation Options for California Families and Businesses

Even with a comprehensive report, the Legislature has the obligation to decide whether or not limiting mobility and transportation options for the vast majority of California’s families and businesses is the best way to achieve California’s climate goals. By leveraging all available vehicle technologies, including efficient internal combustion engines, California would improve environmental standards and better meet a more diverse range of family and business transportation needs at a lower cost.

Arbitrarily Limits Advanced and Efficient Vehicle Technologies

One of California's notable policy advancements is regulation that is measured to encourage technological innovation. This bill runs roughshod over this important and subtle dynamic – essentially proclaiming, “Ban it, and they will come.”

In fact, ARB's regulations are driving increasingly efficient internal combustion engine vehicles and hybrids. According to some experts, the fuel economy of some of the internal combustion vehicles could double by 2050.

In requiring ARB to “ensure” a strategy for zero emission vehicles, AB 40 arbitrarily limits advanced and efficient vehicle technologies, and necessarily stymies further innovation. AB 40 is also inconsistent with California's recently-adopted greenhouse gas (GHG) reduction strategies and the state's near-term air quality improvement needs. California should not eliminate efficient and clean transportation choices, as would certainly be the result of AB 40.

AB 40 ignores this progress by creating a zero emission vehicle definition inconsistent with the vehicle technologies promoted by the Air Resources Board's Low Emission Vehicle (LEV) and its Zero Emission Vehicle (ZEV) regulations. The bill “ensures” the sale of zero-emission vehicles and narrowly defines a zero emissions vehicle as a vehicle that produces zero exhaust emissions of any criteria pollutant or precursor pollutant, or greenhouse gas. In addition, approximately \$480 million in public funding has been provided to California drivers through the California Vehicle Rebate Program (CVRP) to promote cleaner vehicles that aren't required to meet the stringent AB 40 standard. Specifically, Californians have paid over \$169 million to incentivize drivers to buy plug-in hybrid electric vehicles, which would be prohibited by AB 40.

Ignores Immediate Air Quality Needs and Improvements

AB 40 ignores immediate air quality improvements by placing a focus on 21 years from now, ignoring immediate opportunities. According to the state's major air pollution control districts, the primary contributors to exposure to toxics in disadvantaged communities are from older, less efficient vehicles that are not at all the focus of your AB 40. This low hanging fruit provides the opportunity to achieve tremendous air quality improvements in a manner that is more cost effective and achieves immediate and permanent emission reductions.

Unfortunately, the bill's focus on new sales in 2040 ignores the millions of older vehicles that may be driven longer and concentrated more in disadvantaged communities for decades to come, and fails to provide a cost effective path that results in immediate and permanent air quality improvements.

Is Inconsistent with California's Climate Strategies

California has adopted the most ambitious and aggressive greenhouse gas emission reduction goals in the world. The Legislature and Governor in 2016 adopted an enforceable requirement to reduce GHG emissions by 40 percent from our 1990 levels by 2030. In 2017 the Legislature adopted a well-designed cap-and-trade program to best accomplish that goal. In addition, the ARB adopted a long-term comprehensive GHG emissions reduction strategy in the 2017 Scoping Plan. Banning the internal combustion engine, as would result from AB 40, is inconsistent with the Scoping Plan and the state's need to demonstrate effective policies that may be viable beyond California.

California adopted these GHG emission reduction goals and programs not because they alone will have any measurable effect on the earth's temperature – after all, California accounts for only one percent of global GHG emissions. The main reason for advancing these goals is to demonstrate how a major, complex economy can address a difficult and expensive public policy challenges. By taking a leadership role and showing how to accomplish these goals at the least economic expense and societal disruption,

California can show the way for the rest of the world. Unfortunately, AB 40 fails to accomplish these objectives.

For all these reasons, we must oppose AB 40.

Associated Builder and Contractor INC.

CalChamber

California Business Properties Association

California Business Roundtable

California Citrus Mutual

California Cotton Ginners & Growers Association

California Delivery Association

California Fresh Fruit Association

California Fuels & convenience Alliance

California Hispanic Chamber of Commerce

California Independent Petroleum Association

California Poultry Association

California Rice

Californians for Affordable & Reliable Energy

Central Valley Business Federation

East Bay Leadership Council

Elk Grove Chamber of Commerce

Equipment Dealers Association

Far West Equipment Dealers Association

Fresno County Farm Bureau

Greater Bakersfield Chamber of Commerce

Inland Empire Economic Partnership

International Warehouse Logistics Association

Joint Chambers Commission

Kern Citizens For Energy

Kern County Farm Bureau

Kern County Hispanic Chamber of Commerce

Kern County Taxpayers Association

National Federation of Independent Business

Orange County Business Council

San Gabriel Valley Economic Partnership

The Industrial Association of Contra Costa County

Tulare Chamber of Commerce

United Chamber and Advocacy Network

West Contra Costa County Council of Industries

Western Agricultural Processors Association

Western Growers

Western Plant Health Association

Western States Petroleum Association

Wilmington Chamber of Commerce