

## **7.i. Oppose Letters – Members/Caucus**

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SENATOR HAYNES@SEN.CA.GOV

# California State Senate

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**RAYMOND N. HAYNES**  
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September 6, 2000

Honorable Gray Davis  
Governor, State of California  
California State Capitol, First Floor  
Sacramento, CA 95814

Re: SB 1771 (Sher)

Dear Governor Davis:

I would like to take this opportunity to urge you to VETO SB 1771 relating to greenhouse gas emission reductions.

This is yet another big government reporting bill that needlessly wastes taxpayer dollars on governmental programs. In this case the bill attempts to track and identify the effects of vehicular and nonvehicular emissions on the environment. However, currently there are multiple federal, state, and local studies and programs already established to evaluate the effects of emissions on the environment. There is no need for another.

In addition, this bill is putting in place an entire new bureaucratic entity for a "voluntary" program. A significant catch in this voluntary program is the provision requiring the Registry to recognize and promote participant companies. This will put non-participants at a competitive disadvantage as they will be put in an unfavorable light by not obtaining and using as a marketing tool, the Registry "seal of approval".

For the foregoing reasons, I request your veto of this bill. If you have any questions concerning this measure, please do not hesitate to contact me.

Very Sincerely,

A handwritten signature in black ink that reads "Ray Haynes".

RAYMOND N. HAYNES  
Senate Republican Whip

**7.ii. Oppose Letters – Organizations/Local Gov't**

**CCMEC**

**CALIFORNIA CEMENT MANUFACTURERS ENVIRONMENTAL COALITION**  
C/O California Portland Cement Co., 2025 E. Financial Way, Glendora, CA 91741

September 12, 2000

The Honorable Gray Davis, Governor  
State of California  
State Capitol Building  
Sacramento, CA 94814

Subject: **SB 1771 (Sher) - REQUEST FOR VETO**

Dear Governor Davis:

On behalf of the California Cement Manufacturers Environmental Coalition (CCMEC), I respectfully request you veto the above-referenced legislation. SB 1771, dealing with greenhouse gas emission, proposes an unworkable emission registry program. While we see the value in establishing an emissions baseline against which any federal greenhouse gas reductions could be measured, SB 1771 registry is duplicative of ongoing voluntary reporting to the U.S. Department of Energy under the Energy Policy Act of 1992. Without greater assurances that the federal government will continue to recognize voluntary reductions, CCMEC will not support a separate state program.

Twelve pages of amendments were taken on the Assembly Floor on Tuesday, August 29, that result in vast concern among our industry regarding new governance structure, fee-based funding mechanisms and immensely broad and complex reporting requirements. These floor amendments were not subject to policy committee review. The amendments provide potentially significant disincentives for otherwise interested California businesses to participate in a "voluntary" registry until they are actually required to do so.

The proponents of SB 1771 should engage stakeholders prior to the 2001 legislation session in a meaningful dialogue to address the major areas of concern.

Again, thank you for considering our request for veto of SB 1771.

Sincerely,



John Bennett  
Chairman

cc: Senator Byron Sher  
Ms. Linda Adams

**Calaveras Cement - California Portland Cement - Hanson Permanente Cement - Mitsubishi Cement  
National Cement - BHC Pacific Materials - Southdown Victorville - TJI Riverside Cement**

September 12, 2000

Research, Consulting and Advocacy

Honorable Gray Davis  
Governor  
State Capitol  
Sacramento, CA 95814

**Subject:** ██████████ (Sher) Veto Request  
**Client:** American Electronics Association

Dear Governor Davis:

The American Electronics Association respectfully requests that you veto SB 1771(Sher) Greenhouse Gases Inventory.

AEA represents the largest manufacturing industry in California: the high-tech industry. By including the fast-growing services sector, the state's high tech employment reaches almost 725,000. AEA represents some 3,000 member companies with 1,400 located in California. Approximately 75 percent of AEA member firms in the state are small businesses, each employing fewer than 300 people.

SB 1771 Sets forth a complex and in our opinion unworkable emission registry program. AEA members see value in establishing an emissions baseline against which any future federal greenhouse gas reductions could be measured. The SB 1771 registry is unneeded in that it is duplicative of ongoing voluntary reporting under the Energy Policy Act of 1992. A separate state program carries with no guarantee that federal government will accept the reporting completed under the state program. Further, the substantial differences between the SB 1771 program and the ongoing federal program will result in increased costs fro those choosing to report under both programs.

The Assembly Floor amendments, made just days before the adjournment of the Legislative session, were not subject to policy committee review. If SB 1771 becomes law, there would be no incentive to resolve these issues until California businesses are actually required to participate in the registry. The amendments taken on the Assembly Floor on August 29, raise many *new* areas of concern including a new governance structure, fee-based funding mechanisms and a broad and complex reporting requirements.

Again we respectfully request that you veto SB 1771. Thank you.

Sincerely,



John M. Hunter for  
American Electronics Association

cc: Senator Byron Sher  
✓Ms. Linda Adams  
Mr. Kip Lipper

1130 K Street, Suite 350  
Sacramento, California 95814  
Telephone: 916.552.6700  
Fax: 916.552.6705

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# California Council for Environmental and Economic Balance

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September 13, 2000

The Honorable Gray Davis  
Governor  
State of California  
State Capitol, First Floor  
Sacramento, CA 95814

Attention: Enrolled Bill Report

Re: **SB 1771 (SHER): GREENHOUSE GAS EMISSIONS  
REGISTRY**

Position: **VETO REQUEST**

Dear Governor Davis:

The California Council for Environmental and Economic Balance ("CCEEB") respectfully urges you to **veto** SB 1771 (Sher). This bill contains two sections: 1) a greenhouse gas emissions registry section; and 2) a greenhouse gas emission inventory section. As explained below, CCEEB's concerns pertain to the registry part of the bill – particularly with the 14 pages of detailed amendments that were added on August 29, 2000 and not heard by any legislative committee.

**1. CLIMATE CHANGE IS AN INTERNATIONAL AND NATIONAL ISSUE. THE NEED FOR A CALIFORNIA REGISTRY HAS NOT BEEN ESTABLISHED.**

CCEEB recognizes that it is important to ensure that entities that voluntarily reduce their greenhouse gas emissions prior to any mandatory program at the federal level receive appropriate credit for their voluntary efforts. However, CCEEB has general concerns regarding whether a California registry is needed in the first place. Under the Energy Policy Act of 1992, the U.S. Department of Energy ("DOE") already implements extensive procedures for voluntary reporting on reductions in greenhouse gas emissions. We question the need to create a **uplicative and conflicting State program if there is no certainty that the federal government will recognize the baseline developed under the SB 1771 state program.** CCEEB suggested to Senator Sher as early as April of this year that a meeting be held to discuss this issue. Such a meeting never took place.

**2. THE AUGUST 29, 2000 AMENDMENTS PROPOSES UNNECESSARILY COMPLICATED AND BUREAUCRATIC REQUIREMENTS.**

If one assumes for discussion purposes that there is a need to establish a different registry program for California, it would be possible to develop a simple voluntary program where sources report existing emissions and subsequent reductions. The sponsors of SB 1771, however, decided to propose a complicated and bureaucratic program that calls for information that is not needed to establish a baseline. (We recognize that the proposed program is voluntary, but any entity that wanted to participate would be required to comply with the detailed requirements.) Following are examples of problems with the proposal:

- (a) **INNAPPROPRIATE METRICS:** Corporations (other than electric generators) which chose to register would be required to report carbon dioxide emissions on a per-dollar-of-revenue basis. Company revenue information should not be required for emissions baseline development.
- (b) **OVERBROAD REQUIREMENTS:** Participating California entities would have to report emissions from all of their operations in the United States. This is a proposed California registry – requiring information on emissions in other states goes beyond what is necessary. The proposal simply underscores why an effective registry at the federal level makes sense for this international issue.
- (c) **UNNECESSARY BUREACRACY:** The August 29, 2000 amendments added a requirement for the Secretary of the Resources Agency to establish a new nonprofit public benefit corporation called the “California Climate Action Registry” to implement the program. They also added a proposal for a new seven-member board to oversee the registry. These proposals go beyond what is needed to implement a voluntary registry and unnecessarily raise the cost of the program.
- (d) **A NEW FEE:** The August 29, 2000 amendments proposed a new fee to cover the cost of the registry. Neither Appropriations Committee reviewed this proposal. Depending on the cost of the program and the number of participants, the fee could serve as a disincentive for participation.
- (e) **AUDIT BY AND PAYMENT TO A THIRD PARTY ORGANIZATION:** The August 29, 2000 amendments would require a registrant to pay for a third-party organization to verify the accuracy of emissions reporting. CCEEB questions whether a third-party audit and the monitoring requirements proposed under the bill are necessary.

As noted above, CCEEB agrees that it is important to ensure that businesses receive credit for voluntary greenhouse gas reductions. This bill, however, would create an unnecessarily complicated and bureaucratic program that duplicates and conflicts with an existing federal program. All of the details were added at the eleventh hour, and no legislative committees heard the extensive amendments. August 29, 2000 is just too late for the details of a brand new environmental program to be floated.

Accordingly, CCEEB urges you to veto SB 1771. If you have any questions, please call Jackson Gualco at 441-1392 or Cindy Tuck at 442-4249.

Sincerely,

A handwritten signature in black ink that reads "Victor Weisser" with "For" written below it.

VICTOR WEISSER  
President

cc: The Honorable Byron Sher  
The Honorable Winston Hickox  
The Honorable Mary Nichols  
Mr. Mike Gotch  
Ms. Linda Adams  
Ms. Patty Zwartz  
Mr. Tim Schmelzer  
Mr. Jackson Gualco  
Ms. Cindy Tuck





September 12, 2000

The Honorable Gray Davis  
Governor, State of California  
State Capitol  
Sacramento, CA 95814

**Subject: Veto Request - SB 1771 (Sher)**

Dear Governor Davis:

The California Manufacturers and Technology Association (CMTA) respectfully requests that you veto SB 1771, dealing with greenhouse gas emissions. SB 1771 proposes an unworkable emission registry program. While CMTA members see value in establishing an emissions baseline against which any future federal greenhouse gas reductions could be measured, the SB 1771 registry is duplicative of ongoing voluntary reporting to the U.S. Department of Energy under the Energy Policy Act of 1992. Moreover, our members are not prepared to embrace a separate state program without greater assurance that voluntary reductions will be recognized by the federal government.

Twelve pages of amendments were taken on the Assembly Floor on Tuesday, August 29, raising myriad new areas of concern including a new governance structure, fee-based funding mechanisms and immensely broad and complex reporting requirements. The latter are punctuated by accounting procedures that are, for all practical purposes, unworkable for a dynamic California manufacturer that is constantly adding, changing and eliminating products, buying and divesting businesses and changing subcontracting relationships.

The Assembly Floor amendments were not subject to policy committee review. The concerns they raise represent potentially significant disincentives for otherwise interested parties to participate in a "voluntary" registry. Moreover, if SB 1771 becomes law, there would be no incentive to resolve these issues until California businesses are actually required to participate in the registry. CMTA would like to avoid having to work on cleanup legislation in a crisis mode.

The proponents should engage stakeholders in a meaningful dialogue prior to the 2001 legislative session to address multiple areas of concern with SB 1771. Thank you for considering our request to veto SB 1771.

Sincerely,



Jeff Sickenger  
Director, Environmental Quality

cc: The Honorable Byron Sher  
Ms. Linda Adams, Governor's Office



**LUCAS ADVOCATES**  
*Research, Consulting & Advocacy*

September 11, 2000

The Honorable Gray Davis  
Office of the Governor  
State Capitol  
Sacramento CA 95814

**RE: SB 1771 (Sher)**  
**POSITION: Oppose- Request for Veto**

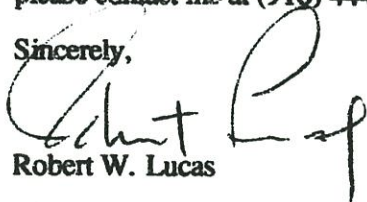
Dear Governor Davis:

On behalf of the Carrier Corporation, I would like to respectfully request your veto on SB 1771 (Sher). This bill was significantly amended in the last week of session to include an elaborate greenhouse gas emission reporting and regulatory structure. As drafted, the bill contains errors such as inaccurate listing of gasses subject to the international Kyoto Agreement.

This type of legislation is more appropriately considered through the normal legislative process rather than being sprung at the last minute without the opportunity to engage in debate or even to correct drafting errors.

Thank you for your consideration of this matter. If you would like to discuss this issue further, please contact me at (916) 444-7337.

Sincerely,



Robert W. Lucas

cc: Mike Gotch, Legislative Secretary, Office of the Governor  
Linda Adams, Chief Deputy Assembly Relations, Office of the Governor  
Patty Zwarts, CalEPA  
Daniel Fessenden, Carrier Corporation

# CMAC

Construction Materials  
Association Of California

September 12, 2000

The Honorable Gray Davis  
Governor, State of California  
State Capitol Building  
Sacramento, CA 95814

**Subject: Veto Request – SB 1771 (Sher)**

Dear Governor Davis:

The Construction Materials Association of California (CMAC) respectfully requests that you veto SB 1771, dealing with greenhouse gas emissions. SB 1771 proposes an unworkable emission registry program. While CMAC members see value in establishing an emissions baseline against which any future federal greenhouse gas reductions could be measured, the SB 1771 registry is duplicative of ongoing voluntary reporting to the U.S. Department of Energy under the Energy Policy Act of 1992. Moreover, our members are not prepared to embrace a separate state program without greater assurance that voluntary reductions will be recognized by the federal government.

Twelve pages of amendments were taken on the Assembly Floor on Tuesday, August 29, raising myriad new areas of concern including a new governance structure, fee-based funding mechanisms and immensely broad and complex reporting requirements. The latter are punctuated by accounting procedures that are, for all practical purposes, unworkable for a dynamic California manufacturer that is constantly adding, changing and eliminating products, buying and divesting businesses and changing subcontracting relationships.

The Assembly Floor amendments were not subject to policy committee review. The concerns they raise represent potentially significant disincentives for otherwise interested parties to participate in a "voluntary" registry. Moreover, if SB 1771 becomes law, there would be no incentive to resolve these issues until California businesses are actually required to participate in the registry. CMAC would like to avoid having to work on cleanup legislation in a crisis mode.

The proponents should engage stakeholders in a meaningful dialogue prior to the 2001 legislative session to address multiple areas of concern with SB 1771. Thank you for considering our request to veto SB 1771.

Sincerely,



Linda A. Falasco  
Executive Director

cc: Senator Byron Sher  
Ms. Linda Adams

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