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Bay Area Council Adopts Supportive Position on Assembly Bill-32 Regarding Air Pollution and Greenhouse Gases

Also Announces Official Climate Change Policy

SAN FRANCISCO, June 29, 2006 – Today the Bay Area Council announced that it’s Executive Committee, representing more than 275 of the largest employers in the Bay Area, voted to support Assembly Bill 32 (AB 32), co-sponsored by Assembly Speaker Fabian Nunez of Los Angeles and Assemblymember Fran Pavley, if it is amended to reflect the Council’s new climate change policy. The Executive Committee, which sets policy for the organization, was informed by the Council’s energy committee. Support was unanimous, with one abstention.

AB 32 institutes a mandatory limit, or cap, on greenhouse gas pollution - reducing emissions in California to 1990 levels by the year 2020, or 25% below forecasted levels. The bill also directs the California Air Resources Board (CARB) to establish a mandatory reporting system to track and monitor emission levels and requires CARB to develop various compliance options and enforcement mechanisms. The bill requires CARB to cooperate with other state agencies to promote investment in the development and deployment of technologies that reduce emissions. Known as the “innovation capital” of the world, the Bay Area is home to some of the most successful high-tech companies globally.

“The Bay Area Council recognizes the vital importance of staying ahead of the technology curve and clean technology represents the next generation,” said Jim Wunderman, President and CEO of the Bay Area Council. “AB 32 can create the market signal needed to unleash our world-famous innovative entrepreneurs and enable California and the Bay Area to lead the clean energy technology revolution.”

“This should be interpreted as a signal of significant positive support from the business community for reducing global warming,” said Andrew Michael, Vice President of the Bay Area Council and responsible for environmental policy. “Bay Area businesses are committed to corporate social responsibility and addressing climate change. We are excited by reports that alignment with the Council’s policy is within reach. It is our hope that we can adopt a full position of support in the next few weeks.”

Below is a summary of Bay Area Council’s official Climate Change Policy:

- A. The state should regulate greenhouse gas emissions only at the statewide level with clear goals for the amount of emissions to be reduced - to 1990 levels by 2020.
- B. The reporting of climate change emissions should be made mandatory by the largest contributors of emissions to enable the state to track its success at meeting the targets, through the protocols developed by the Climate Action Registry.
- C. Market-based approaches should be embraced so California businesses can participate in markets that financially reward reducing greenhouse gas emissions.
- D. A coordinated investment strategy should be deployed to cost-effectively apply emissions reductions technology and employ alternative fuels that reduce greenhouse gas emissions. Strategic investments can accelerate California leadership in the clean energy sector.

- E. Early Action Credit: Advanced action by businesses and other institutions to reduce climate change contributing emissions should be given credit and provided a verifiable system so that proactive companies are not penalized for their action.

According to recent studies adopted in the plan by the Climate Action Team, commissioned by Governor Schwarzenegger, if greenhouse gas emissions are not cut, global warming is expected to raise temperatures between 8 and 10.4 degrees in California. This will diminish the Sierra snowpack – a major source of drinking water – by 90% in the next century. Warming could also raise the sea level between 4 and 33 inches, causing coastal erosion and sending salt water surging into Sacramento Delta water supplies.

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About the Bay Area Council:

Founded in 1945, the Bay Area Council (www.bayareacouncil.org) develops and drives regional public policy initiatives and critical infrastructure issues. Led by CEOs, the Bay Area Council presents a strong, united voice for more than 275 of the largest employers throughout the Bay Area region who employ more than 505,000 workers, or 1 of every six private sector employees in the Bay Area.