



For Immediate Release

October 23, 2014

Contact: Jerry Azevedo

(844) 890-1135

jerry@californiadriversalliance.org

Alliance Delivers Petition Signed by 115,000 Drivers Urging Air Resources Board to Stop the “Hidden Gas Tax”

Dozens gather outside CARB meeting to highlight lack of public discussion

DIAMOND BAR, Calif. – On behalf of 115,000 Californians who have signed the petition to stop the “hidden gas tax,” dozens of community leaders, elected officials, business organizations and concerned drivers gathered today outside the California Air Resources Board (CARB) meeting to urge the Board to delay its regulation scheduled to take effect next January. In addition to delivering the petition to CARB, the group urged the Board to place its controversial “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 before the regulation takes effect in 2015.

“CARB has been unresponsive to the pleas of California drivers, community organizations and small businesses to rethink this plan to increase fuel prices next year,” said Ruben Gonzalez, vice president for public policy at the LA Area Chamber of Commerce. “CARB has refused to give this policy a more thorough review or consider protections for low-income families, who will be harmed most by this policy. CARB has not even put this far-reaching policy on its agenda for public discussion. We are here to show CARB that more than 115,000 Californians want a delay so the public can be involved.”

The “hidden gas tax” results from new costs mandated by CARB on the production of transportation fuels. Starting January 2015, fuel producers must purchase emission allowances on California’s “cap-and-trade” market for each gallon of gas and diesel sold in the state. According to CARB and independent academic experts, this new mandate will increase fuel costs by 4 to 19 percent, or 16 to 76 cents per gallon at the pump based on an average of \$4 per gallon.

According to an economic analysis by Encina Advisors, 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. 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. The analysis found approximately three quarters of the state’s planned spending will be 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.

According to the analysis, lower-income families will be hit hardest by the “hidden gas tax” 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.

“This ‘hidden gas tax’ will harm those who can least afford to pay more for basic necessities like gas to get to work and go about their daily lives,” said Acquanetta Warren, Mayor for the City of Fontana. “Inland communities, in particular, will be harmed by this policy since we have longer commutes and fewer transportation options. I am extremely disappointed that CARB has not been more transparent about this regulation or willing to engage in a meaningful dialogue with the public.”

“Higher fuel costs will further strain school district budgets,” said Heidi L. Gallegos, Board Member for the Rowland Unified School District. “Every extra dollar we spend on gas and diesel is a dollar we cannot spend on students. Unfortunately, we are not being provided so much as a public meeting to make our voices heard.”

“Small businesses will be harmed twice by this policy,” said John Kabateck, California Executive Director for NFIB. “It will hike the cost of doing business, which hurts jobs and business growth, and 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, these dollars will flow to Sacramento to support billions in more government spending.”

“CARB members may not be elected, but they still have a duty to serve the public’s interest,” said Ginna Escobar, Councilmember for the City of Pomona. “We support programs for clean air and a healthy environment, but we need to meet these goals in responsible ways that do not harm our communities or our economy. CARB has not demonstrated any interest in balancing these needs or engaging with the public on the best ways to meet our environmental and economic goals.”

CARB will meet in November and December in Sacramento, which are its final two remaining meetings for 2014 before the “hidden gas tax” takes effect.

About the California Drivers Alliance

The California Drivers Alliance serves as the voice of consumers, farmers, small businesses and fuel suppliers in California on public policy issues affecting the cost and availability of fuel as well as mobility and safety issues affecting drivers. To date, more than 115,000 Californians have signed the petition to “stop the hidden gas tax.”

Learn more about the California Drivers Alliance at www.californiadriversalliance.org.