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# Assembly California Legislature



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June 24, 2014

The Honorable Jerry Brown  
Governor, State of California  
State Capitol  
Sacramento, CA 95814

## ***RE: Cap and Trade Expansion: Hidden Gas Tax***

Dear Governor Brown,

On behalf of our constituents, many of whom are low- and middle-income Californians still struggling to make ends meet, we are requesting that you use your executive authority to delay the expansion of the cap-and-trade program to include gasoline and diesel, which is currently scheduled to go into effect on January 1, 2015.

Expanding the cap-and-trade program to include gasoline and diesel will devastate our economy, especially regions that are still recovering from the recession. These residents will be blindsided in January by a gas price increase they weren't told about and was not part of any legislative process. Instead, this is a hidden tax increase on the price of fuel that every Californian will feel when the program is expanded in January.

Expanding the cap-and-trade program to fuels will punish hardworking Californians who are just trying to make a living driving to and from work and school. Higher fuel costs are incredibly regressive. Low- and middle-income residents, who already dedicate much of their household budget to transportation, cannot absorb such a significant increase in fuel costs.

In many regions of this state, public transportation is not a viable option, and it will not be for the foreseeable future. And when gas costs go up, purchasing a low-emissions vehicle becomes cost-prohibitive as demand increases. So those who are struggling to make ends meet have no option—they cannot take alternative transportation and cannot afford low-emissions vehicles. Instead, they are forced to pay higher prices and send more of their hard-earned money to Sacramento, through no fault of their own.

We also share Senator Steinberg's concerns, expressed in February at a speech before the Sacramento Press Club, that linking gasoline and diesel costs to carbon auctions will create wild fluctuations in the price. Californians will be paying no less than 12 cents per gallon more, but

could be paying as much as 70 cents per gallon more, without warning and without any way to stop it. How can a family plan a monthly budget when the price they pay for gas will be so unpredictable?

Expanding the cap-and-trade program will have a significant impact on our economy. There is no debate—everyone agrees that the cost of fuel will increase and that every Californian will be paying more for gasoline.

We urge you to delay the program until the economy further improves, so that Californians better understand and are better prepared for higher fuel costs and cost volatility they are likely to experience if the cap-and-trade program expands as currently scheduled.

Sincerely,

Kirsten [Signature] AD12

[Signature] 35

Tina's Ah AD72

Brian [Signature] AD1

[Signature] AD-68

Connie Conroy #26

Dan Fogue AD3

[Signature] AD-60

[Signature] AD55

Ally My AD74

[Signature] AD42

[Signature] AD 73

[Signature] AD 38

[Signature] AD71

Marie Waldron AD75

[Signature] AD34

[Signature] AD-5

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