

Assembly Democrats fear gas price increase, urge change in environmental policy

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By David Siders



Assembly Member Henry T. Perea D-Fresno, right, talks with Senator Lou Correa D-Santa Ana, left. Perea is part of a business-friendly caucus of moderate Democrats.

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Business-friendly Democrats in the state Assembly are urging the Brown administration to back off implementation of a greenhouse gas reduction measure that is expected to result in higher gas prices starting next year.

In a letter to Mary Nichols, chairwoman of the California Air Resources Board, 16 Assembly Democrats last week urged delaying or changing a planned expansion of the state's cap-and-trade program to

transportation fuels. As it stands, California's landmark greenhouse gas reduction law, Assembly Bill 32, will require that oil companies buy carbon credits for fuel they sell starting next year.

"We are concerned about the impact of the AB 32 cap-and-trade program on our constituents," the lawmakers wrote. "Fuel prices for consumers are going to be driven up once fuel is covered under cap-and-trade at the start of next year, weakening the economy just as California is recovering from the last recession, and hurting the most vulnerable members of our communities who must commute to work and drive long distances for necessary services like medical care."

Assembly Member Henry T. Perea, D-Fresno, one of the lawmakers who wrote the letter, said an increase in gas prices of 15 cents per gallon or more could be expected if the rule goes into effect.

The letter comes amid heightened calls by Republican politicians and oil interests to delay expanding the cap-and-trade program to transportation fuels. Environmentalists have said it is appropriate to price gas high enough to change consumer transportation habits.

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