



FOR IMMEDIATE RELEASE
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IN CASE YOU MISSED IT

LAO and Cal Tax Reports Show Cap-and-Trade Auction's \$2 Billion Impact on Drivers; Question How Politicians Spend the Revenue

The California Air Resources Board's (CARB) decision to auction off cap-and-trade allowances has resulted in more than \$2 billion per year in revenue paid by drivers at the pump, according to a recent story in the *Los Angeles Times*. The state's nonpartisan Legislative Analyst's Office (LAO) sent a letter to Assemblyman Tom Lackey confirming the cap-and-trade auction program created by CARB is costing consumers 11 cents more per gallon and about \$2 billion yearly. At the same time, a [report](#) by the California Tax Foundation found that politicians have proposed 35 bills to spend \$7.4 billion in cap-and-trade auction revenues, many of which have little to no connection to decreasing greenhouse gas emissions. Today the *Orange County Register's* editorial board explained how CARB is circumventing the legislative process by imposing a "fee" on consumers in order to fund their anti-pollution regulation, also known as the cap-and-trade auction.

***Los Angeles Times:* California drivers pay 11 cents more per gallon thanks to state's cap-and-trade rules, study finds**

Californians are spending \$2 billion more at the gas pump because of the state's carbon rules, according to the state's independent Legislative Analyst's Office.

The cap-and-trade program boosts prices by 11 cents a gallon for regular gasoline and 13 cents a gallon for diesel, Legislative Analyst Mac Taylor [wrote in a March 4 letter](#) to Assemblyman Tom Lackey (R-Palmdale).

Besides raising gas prices, the cap-and-trade system does provide the state with revenue to decrease greenhouse gases, including a \$3.1-billion allocation in Gov. Jerry Brown's budget for items such as subsidizing the purchase of electric cars, Taylor wrote.

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Orange County Register: How state's carbon tax adds to your fuel bill

We've been gouged again at the pump. Although obscured by the recent general decline in fuel prices, California's new carbon tax on vehicle fuels boosted prices 11 cents a gallon as of Jan. 1, according to a new calculation by the state Legislative Analyst.

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According to the CARB's website, "Reductions in GHG emissions will come from virtually all sectors of the economy and will be accomplished from a combination of policies, planning, direct regulations, market approaches, incentives and voluntary efforts." That's how it gets around imposing a new tax without voter approval, as required by the state Constitution. The tax is considered a "fee" or a cost of implementing the anti-pollution regulation.

Manufacturing companies and utilities were first to pay the carbon tax, in 2013, with drivers spared the tax for three years. The combined carbon tax is expected to raise \$3.1 billion a year, to be spent on programs to reduce greenhouse gas emissions.

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Here's an idea. The governor's budget proposal for fiscal year 2016-17, which begins July 1, includes \$500 million for the high-speed rail boondoggle, which supposedly (and dubiously) would cut greenhouse gases many years from now. Shift that money to fixing roads. Doing so would speed commutes, reducing the traffic jams where cars idle, spewing noxious greenhouse gases while going nowhere.

Associated Press: Report: California carbon tax hikes gas prices 11 cents

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The carbon-reduction program generates billions of dollars a year for efforts to fight climate change. A large portion of the money is dedicated to California's high-speed rail line and other transportation projects.

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To read the *Los Angeles Times* article, please [click here](#).

To read the *Orange County Register* article, please [click here.](#)

To read the *Associated Press* article, please [click here.](#)

To read the *Fox & Hounds* article, please [click here.](#)

To read the California Tax Foundation report, please [click here.](#)